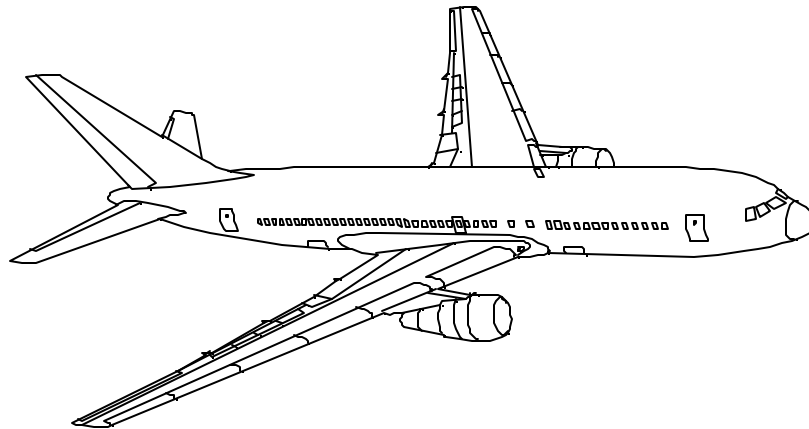


AIRLINE QUARTERLY FINANCIAL REVIEW

SECOND QUARTER 2001



MAJORS



DEPARTMENT OF TRANSPORTATION
OFFICE OF AVIATION ANALYSIS
ECONOMIC AND FINANCIAL ANALYSIS DIVISION

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INTRODUCTION

This report contains staff comments, tables and charts on the financial condition of the U.S. major airlines.

The data are presented on both a carrier group and an individual carrier basis, but the primary focus is on the individual major carrier and its performance. Data are presented for the most recent quarterly period and the comparable quarter a year earlier and also on a 12-month ended basis as at the end of the five most recent quarters. In addition, data on charges over comparable periods 12-months earlier are presented. A graphic presentation of comparative trends, on a carrier group basis, is made for several unit and overall financial indicators. In the case of merged carriers, data for the carriers involved have been combined and presented under the name of the surviving carrier so that meaningful comparisons could be made.

All data presented in this financial and traffic review are derived from data reported to the U.S. Department of Transportation on Form 41 Schedules by Large Certificated Air Carriers. For comparison purposes, this analysis is limited to the major scheduled passenger and all-cargo air carriers only. Alaska Airlines, with revenues exceeding \$1 billion in calendar year 1995, became a major airline effective January 1, 1996, and is included in this review for the first time. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories : namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

Suggestions from users for the improving either the scope, presentation, or utility of this review are invited. It will also be appreciated if suggestions, discrepancies, and errors in the data are called to the attention of the Economic & Financial Division, Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, Washington, D.C. 20590.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

QUARTERLY RESULTS

At time of publication, DHL Airways had not filed its financial data for the second quarter 2001 with the Department. Therefore, we are unable to provide a complete analysis for the total combined passenger and all-cargo group quarterly and 12 month ended June 2001 results. Data for the Total Passenger Majors is available starting on Page 13. This publication will be updated as soon as the missing data becomes available.

| OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS) | | | | | | |
|--|-------------------------|---------|----------|-------------------|---------|----------|
| CARRIER | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | 2Q 2000 | 2Q 2001 | \$CHANGE | 2Q 2000 | 2Q 2001 | \$CHANGE |
| TOTAL ALL MAJORS | 3104.5 | 1/ | 1/ | 1824.3 | 1/ | 1/ |
| TOTAL PASSENGER MAJORS | 2803.9 | -724.4 | -3528.3 | 1656.4 | -729.2 | -2385.6 |
| ALASKA | 8.6 | 11.5 | 2.9 | -0.8 | 4.8 | 5.6 |
| AMERICA WEST | 49.3 | -55.8 | -105.1 | 28.3 | -43.3 | -71.6 |
| AMERICAN | 469.9 | -681.5 | -1151.4 | 323.6 | -437.1 | -760.7 |
| AMERICAN EAGLE | 27.3 | -81.3 | -108.6 | 4.7 | -65.6 | -70.3 |
| AMERICAN TRANS AIR | 23.2 | 18.3 | -4.9 | 6.9 | 10.8 | 3.9 |
| CONTINENTAL | 230.0 | 104.9 | -125.1 | 133.4 | 37.5 | -95.9 |
| DELTA | 577.4 | 23.9 | -553.5 | 434.5 | -26.8 | -461.3 |
| NORTHWEST | 275.9 | -19.7 | -295.6 | 126.8 | -57.4 | -184.2 |
| SOUTHWEST | 314.6 | 291.0 | -23.6 | 190.6 | 175.6 | -15.0 |
| TRANS WORLD | 15.3 | -12.0 | -27.3 | -4.2 | -13.8 | -9.6 |
| UNITED | 651.5 | -354.8 | -1006.3 | 330.8 | -293.7 | -624.5 |
| US AIRWAYS | 161.0 | 31.1 | -129.9 | 77.9 | -16.4 | -94.3 |
| TOTAL ALL-CARGO MAJORS | 300.6 | 1/ | 1/ | 167.9 | 1/ | 1/ |
| DHL AIRWAYS | -10.9 | 1/ | 1/ | -7.7 | 1/ | 1/ |
| FEDERAL EXPRESS | 297.7 | 59.0 | -238.7 | 176.3 | 32.6 | -143.7 |
| UNITED PARCEL SERVICE | 13.8 | -0.9 | -14.7 | -0.8 | -23.4 | -22.6 |

1/ Unavailable due to lack of data filing by DHL.

12-MONTH RESULTS

Unavailable (see note above)

Note: Beginning in 1998, The Airline Quarterly Financial Review of the Majors includes DHL Airways, which achieved major airline status (*i.e.*, annual operating revenues exceeding \$1 billion), effective January 1, 1997. Beginning in 2000, American Eagle and American Trans Air were added as they also achieved major airline status.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|-----------|-----------|-----------|-----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 28,176.4 | 27,344.4 | 118,546.1 | 117,714.1 | 115,670.1 | 112,886.7 | 109,982.9 |
| 2 | Operating Expenses | 28,806.9 | 26,443.0 | 113,535.3 | 111,171.4 | 108,683.1 | 105,897.1 | 103,221.7 |
| 3 | Operating Profit (Loss) | -630.5 | 901.4 | 5,010.8 | 6,542.7 | 6,987.1 | 6,989.6 | 6,761.2 |
| 4 | Net Income (Loss) | -833.0 | 115.6 | 1,702.7 | 2,651.3 | 3,649.5 | 4,143.5 | 4,540.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 150.69 | 147.80 | 654.67 | 651.79 | 646.16 | 637.85 | 624.32 |
| 6 | ASMs - Scheduled Rev. Svc. | 220.25 | 215.53 | 899.64 | 894.93 | 889.72 | 883.55 | 875.30 |
| 7 | Overall RTMs (All Svc.) | 20.78 | 21.84 | 90.14 | 91.20 | 90.66 | 89.53 | 87.59 |
| 8 | Overall ATMs (All Svc.) | 37.88 | 36.95 | 155.03 | 154.10 | 152.80 | 151.26 | 149.02 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 135.6 | 125.2 | 131.5 | 129.1 | 127.6 | 126.1 | 125.6 |
| 10 | Operating Expense per RTM | 138.6 | 121.1 | 126.0 | 121.9 | 119.9 | 118.3 | 117.8 |
| 11 | Operating Profit (Loss) per RTM | -3.0 | 4.1 | 5.6 | 7.2 | 7.7 | 7.8 | 7.7 |
| 12 | Operating Expense per ATM | 76.1 | 71.6 | 73.2 | 72.1 | 71.1 | 70.0 | 69.3 |
| 13 | Passenger Revenue per RPM | 13.55 | 13.42 | 13.36 | 13.33 | 13.16 | 12.98 | 12.82 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.65 | 1.67 | 1.68 | 1.69 | 1.69 |
| 15 | Times Interest Earned | * | * | 2.77 | 3.85 | 4.77 | 5.25 | 5.88 |
| 16 | Current Assets to Current Liabilities | * | * | 0.70 | 0.71 | 0.70 | 0.70 | 0.71 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 32.6 | 33.4 | 33.6 | 35.6 | 34.2 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -2.2 | 3.3 | 4.2 | 5.6 | 6.0 | 6.2 | 6.1 |
| 19 | Net Income to Stockholders Equity | * | * | 4.7 | 7.3 | 10.1 | 11.7 | 13.1 |
| 20 | Corporate Return on Investment | * | * | 5.1 | 6.4 | 8.0 | 8.8 | 9.5 |
| 21 | Debt to Total Investment | * | * | 53.2 | 51.9 | 47.4 | 47.8 | 48.7 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 68.4 | 68.6 | 72.8 | 72.8 | 72.6 | 72.2 | 71.3 |
| 23 | Breakeven | 73.0 | 67.8 | 70.6 | 69.2 | 68.7 | 68.3 | 68.0 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 563,885 | 538,999 | 563,230 | 558,518 | 553,787 | 549,027 | 533,965 |
| 25 | Overall RTM's per Employee (000) | 36.9 | 40.5 | 160.0 | 163.3 | 163.7 | 163.1 | 164.0 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%) | 3.0 | 9.4 | 7.8 | 9.4 | 9.2 | 8.0 | 5.9 |
| 27 | Operating Expenses (%) | 8.9 | 11.1 | 10.0 | 10.5 | 10.7 | 9.8 | 8.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | -1,531.9 | -298.6 | -1,750.4 | -517.2 | -751.5 | -1,088.4 | -1,513.8 |
| 29 | Net Income (Loss)(in Millions \$) | -948.6 | -534.5 | -2,838.0 | -2,423.9 | -1,227.1 | -770.1 | 82.1 |
| 30 | RPMs (Sch. Svc.) (%) | 2.0 | 5.4 | 4.9 | 5.7 | 6.0 | 6.4 | 4.8 |
| 31 | ASMs (Sch. Svc.) (%) | 2.2 | 5.7 | 2.8 | 3.6 | 4.0 | 5.1 | 5.1 |
| 32 | Operating Revenues per RTM (%) | 8.3 | -3.3 | 4.7 | 2.1 | 0.7 | -1.0 | -1.4 |
| 33 | Operating Expense per RTM (%) | 14.5 | -1.7 | 7.0 | 3.1 | 2.1 | 0.7 | 0.4 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 1.0 | 3.4 | 4.2 | 4.9 | 3.8 | 2.0 | 0.4 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 21,443.8 | 21,079.4 | 89,658.0 | 89,293.6 | 87,899.8 | 86,164.2 | 84,226.0 |
| 2 | Operating Expenses | 21,933.3 | 20,255.4 | 85,881.9 | 84,204.1 | 82,522.8 | 80,800.1 | 78,942.6 |
| 3 | Operating Profit (Loss) | -489.4 | 824.0 | 3,776.1 | 5,089.5 | 5,377.1 | 5,364.1 | 5,283.4 |
| 4 | Net Income (Loss) | -744.1 | 217.5 | 1,092.8 | 2,054.3 | 2,916.8 | 3,498.9 | 3,868.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 109.22 | 108.80 | 470.92 | 470.50 | 468.04 | 463.56 | 455.03 |
| 6 | ASMs - Scheduled Rev. Svc. | 162.37 | 160.86 | 658.64 | 657.13 | 655.93 | 653.16 | 648.74 |
| 7 | Overall RTMs (All Svc.) | 13.67 | 14.97 | 58.98 | 60.28 | 60.23 | 59.81 | 58.77 |
| 8 | Overall ATMs (All Svc.) | 25.46 | 25.24 | 103.24 | 103.02 | 102.71 | 102.02 | 100.80 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 156.9 | 140.8 | 152.0 | 148.1 | 145.9 | 144.1 | 143.3 |
| 10 | Operating Expense per RTM | 160.5 | 135.3 | 145.6 | 139.7 | 137.0 | 135.1 | 134.3 |
| 11 | Operating Profit (Loss) per RTM | -3.6 | 5.5 | 6.4 | 8.4 | 8.9 | 9.0 | 9.0 |
| 12 | Operating Expense per ATM | 86.2 | 80.2 | 83.2 | 81.7 | 80.3 | 79.2 | 78.3 |
| 13 | Passenger Revenue per RPM | 14.63 | 14.49 | 14.41 | 14.38 | 14.17 | 13.99 | 13.80 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -2.3 | 3.9 | 4.2 | 5.7 | 6.1 | 6.2 | 6.3 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 4.7 | 6.6 | 8.3 | 9.6 | 10.4 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 67.3 | 67.6 | 71.5 | 71.6 | 71.4 | 71.0 | 70.1 |
| 23 | Breakeven | 71.8 | 66.1 | 69.3 | 67.9 | 67.5 | 67.2 | 66.8 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

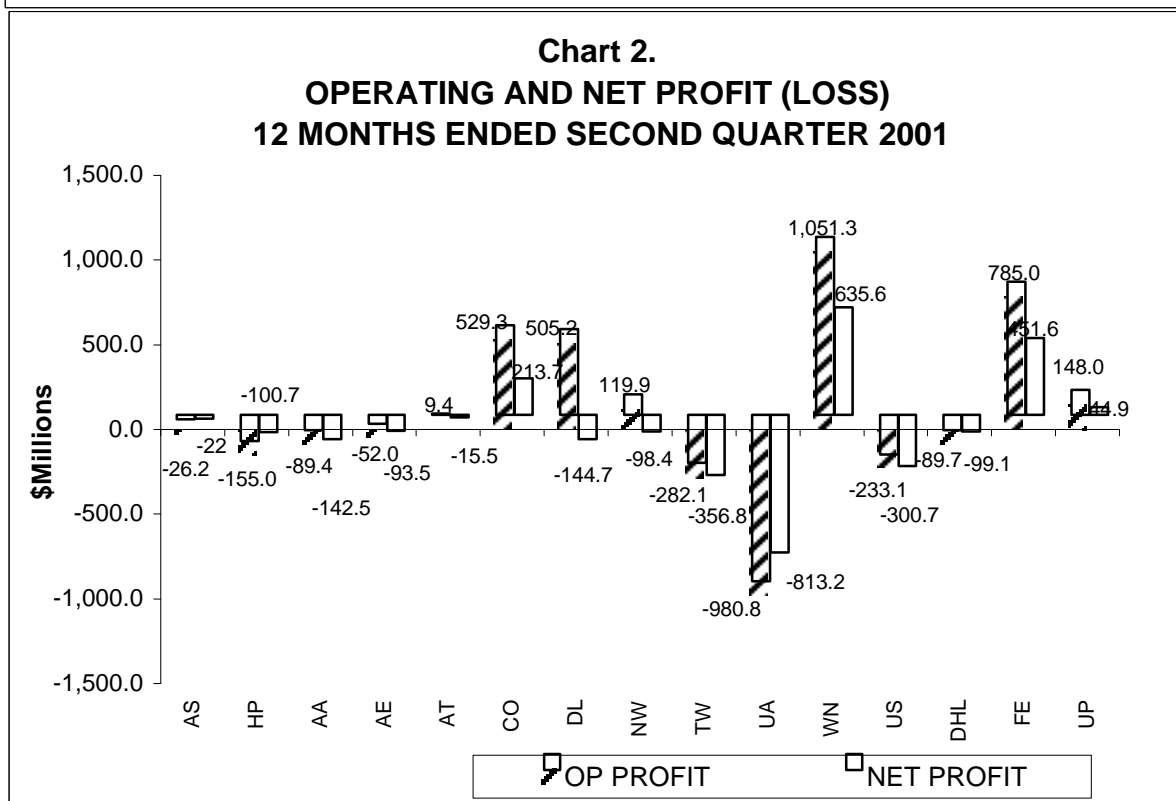
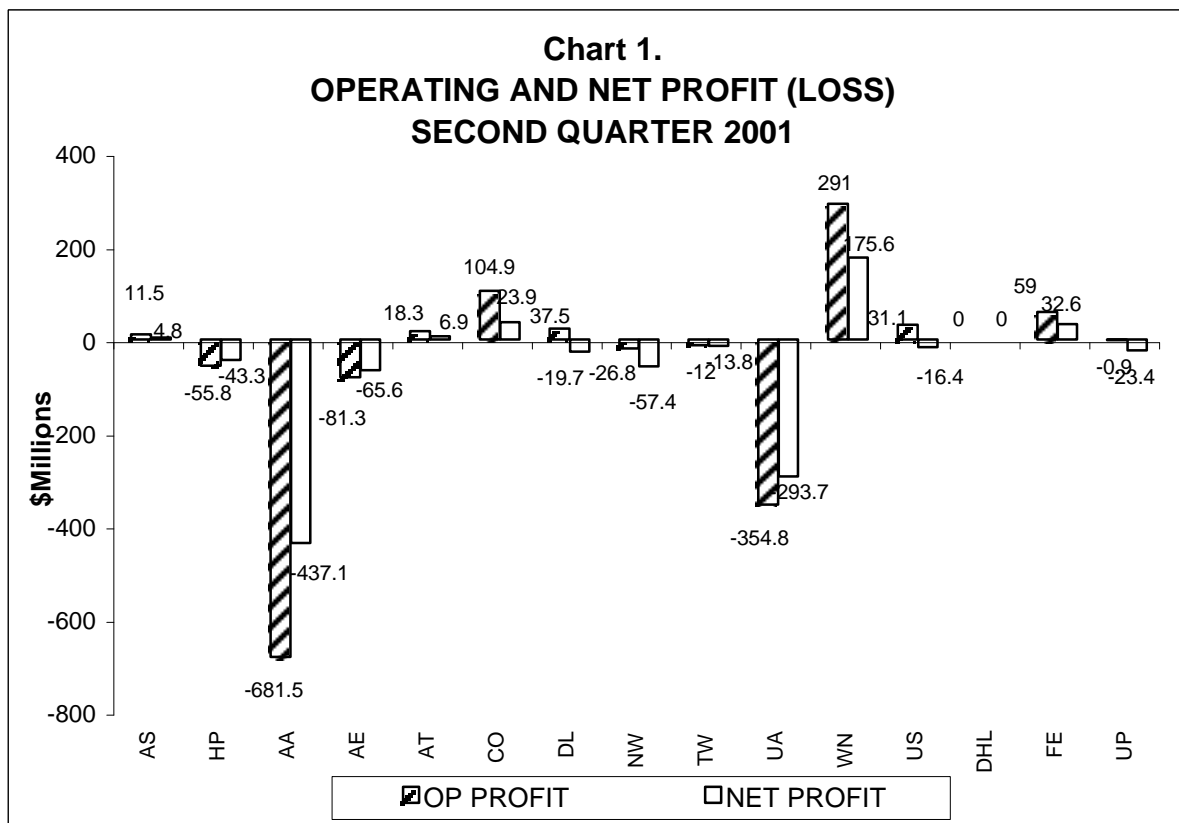
| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%) | 1.7 | 8.3 | 6.4 | 8.1 | 7.9 | 7.0 | 5.6 |
| 27 | Operating Expenses (%) | 8.3 | 11.1 | 8.8 | 9.5 | 10.2 | 10.2 | 9.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -1,313.4 | -412.0 | -1,507.3 | -605.9 | -1,239.2 | -1,859.8 | -2,111.0 |
| 29 | Net Income (Loss)(in Millions \$) | -961.6 | -470.2 | -2,775.9 | -2,284.6 | -1,460.0 | -874.3 | -105.8 |
| 30 | RPMs (Sch. Svc.) (%) | 0.4 | 5.7 | 3.5 | 4.8 | 5.6 | 6.0 | 4.9 |
| 31 | ASMs (Sch. Svc.) (%) | 0.9 | 6.4 | 1.5 | 2.8 | 3.9 | 5.5 | 6.1 |
| 32 | Operating Revenues per RTM (%) | 11.4 | -5.3 | 6.1 | 2.0 | 0.4 | -1.1 | -1.4 |
| 33 | Operating Expense per RTM (%) | 18.6 | -2.9 | 8.4 | 3.3 | 2.6 | 1.8 | 1.9 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 1.0 | 3.1 | 4.4 | 5.0 | 3.7 | 2.1 | 0.7 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS**

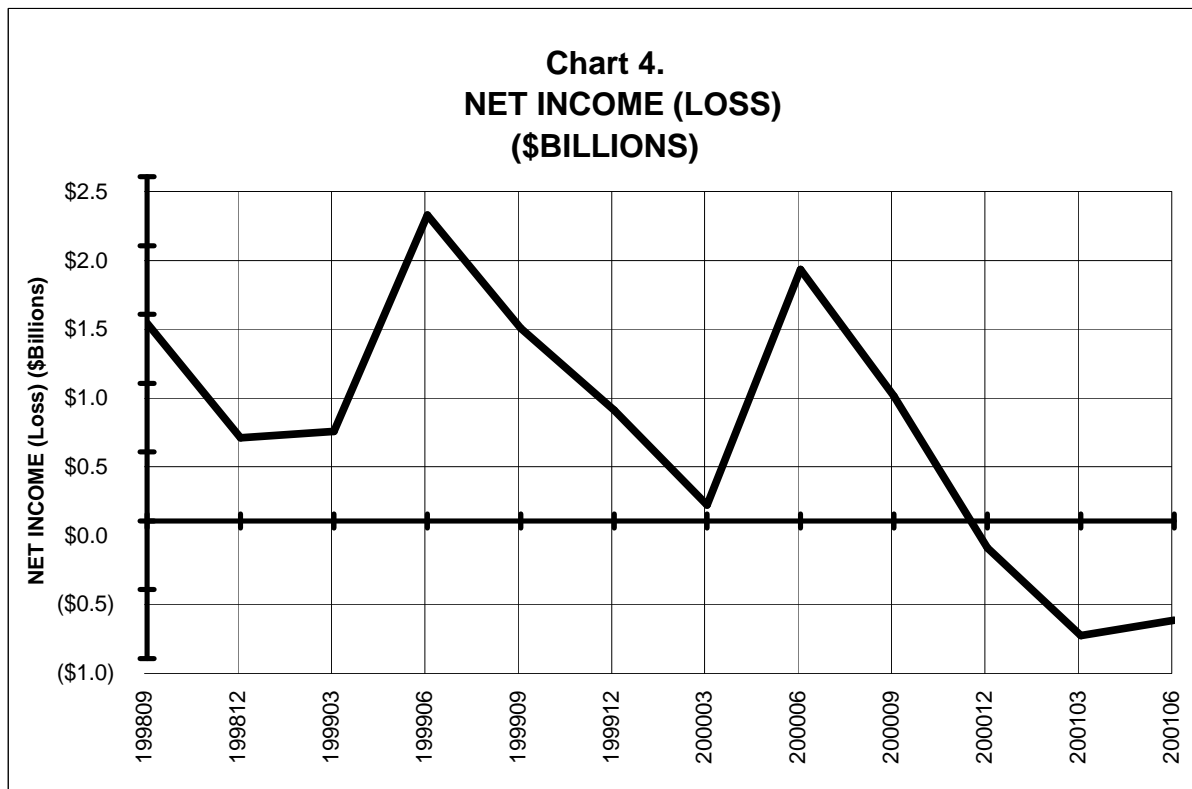
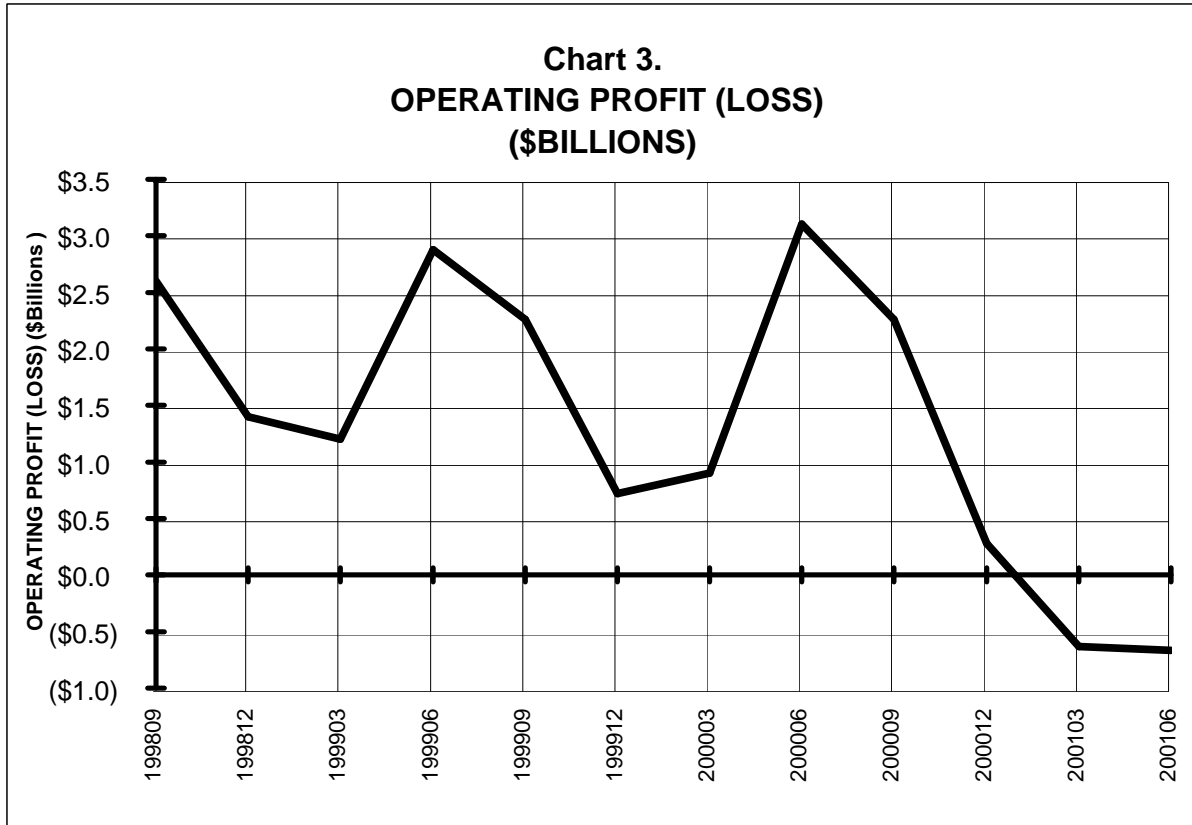
| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 6,732.6 | 6,265.0 | 28,888.0 | 28,420.5 | 27,770.3 | 26,722.5 | 25,756.9 |
| 2 | Operating Expenses | 6,873.6 | 6,187.6 | 27,653.3 | 26,967.3 | 26,160.3 | 25,097.0 | 24,279.1 |
| 3 | Operating Profit (Loss) | -141.1 | 77.4 | 1,234.7 | 1,453.2 | 1,610.0 | 1,625.5 | 1,477.8 |
| 4 | Net Income (Loss) | -88.9 | -101.9 | 609.9 | 596.9 | 732.8 | 644.6 | 672.0 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 41.46 | 39.00 | 183.75 | 181.29 | 178.11 | 174.29 | 169.30 |
| 6 | ASMs - Scheduled Rev. Svc. | 57.88 | 54.67 | 241.00 | 237.79 | 233.78 | 230.39 | 226.55 |
| 7 | Overall RTMs (All Svc.) | 7.12 | 6.87 | 31.17 | 30.92 | 30.44 | 29.72 | 28.83 |
| 8 | Overall ATMs (All Svc.) | 12.42 | 11.71 | 51.79 | 51.08 | 50.10 | 49.24 | 48.22 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 94.6 | 91.2 | 92.7 | 91.9 | 91.2 | 89.9 | 89.3 |
| 10 | Operating Expense per RTM | 96.6 | 90.1 | 88.7 | 87.2 | 86.0 | 84.4 | 84.2 |
| 11 | Operating Profit (Loss) per RTM | -2.0 | 1.1 | 4.0 | 4.7 | 5.3 | 5.5 | 5.1 |
| 12 | Operating Expense per ATM | 55.3 | 52.9 | 53.4 | 52.8 | 52.2 | 51.0 | 50.4 |
| 13 | Passenger Revenue per RPM | 10.70 | 10.42 | 10.64 | 10.58 | 10.51 | 10.32 | 10.17 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -2.1 | 1.2 | 4.3 | 5.1 | 5.8 | 6.1 | 5.7 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 6.0 | 5.9 | 6.8 | 6.4 | 6.8 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 71.6 | 71.3 | 76.2 | 76.2 | 76.2 | 75.7 | 74.7 |
| 23 | Breakeven | 76.4 | 73.5 | 73.9 | 73.2 | 72.5 | 71.7 | 71.5 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|-------|-------|-------|
| 26 | Operating Revenues (%) | 7.5 | 13.2 | 12.2 | 13.6 | 13.7 | 11.2 | 6.9 |
| 27 | Operating Expenses (%) | 11.1 | 11.1 | 13.9 | 14.0 | 12.2 | 8.3 | 4.6 |
| 28 | Operating Profit (Loss) (in Millions \$) | -218.5 | 113.3 | -243.1 | 88.7 | 487.7 | 771.4 | 597.1 |
| 29 | Net Income (Loss)(in Millions \$) | 13.0 | -64.3 | -62.1 | -139.4 | 233.0 | 104.2 | 187.9 |
| 30 | RPMs (Sch. Svc.) (%) | 6.3 | 4.4 | 8.5 | 8.1 | 7.3 | 7.3 | 4.6 |
| 31 | ASMs (Sch. Svc.) (%) | 5.9 | 3.6 | 6.4 | 5.8 | 4.4 | 4.0 | 2.2 |
| 32 | Operating Revenues per RTM (%) | 3.7 | 2.6 | 3.8 | 3.5 | 2.8 | 0.4 | -1.4 |
| 33 | Operating Expense per RTM (%) | 7.2 | 0.7 | 5.3 | 3.9 | 1.7 | -2.2 | -3.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 2.7 | 4.2 | 4.6 | 5.1 | 4.7 | 2.1 | -0.8 |

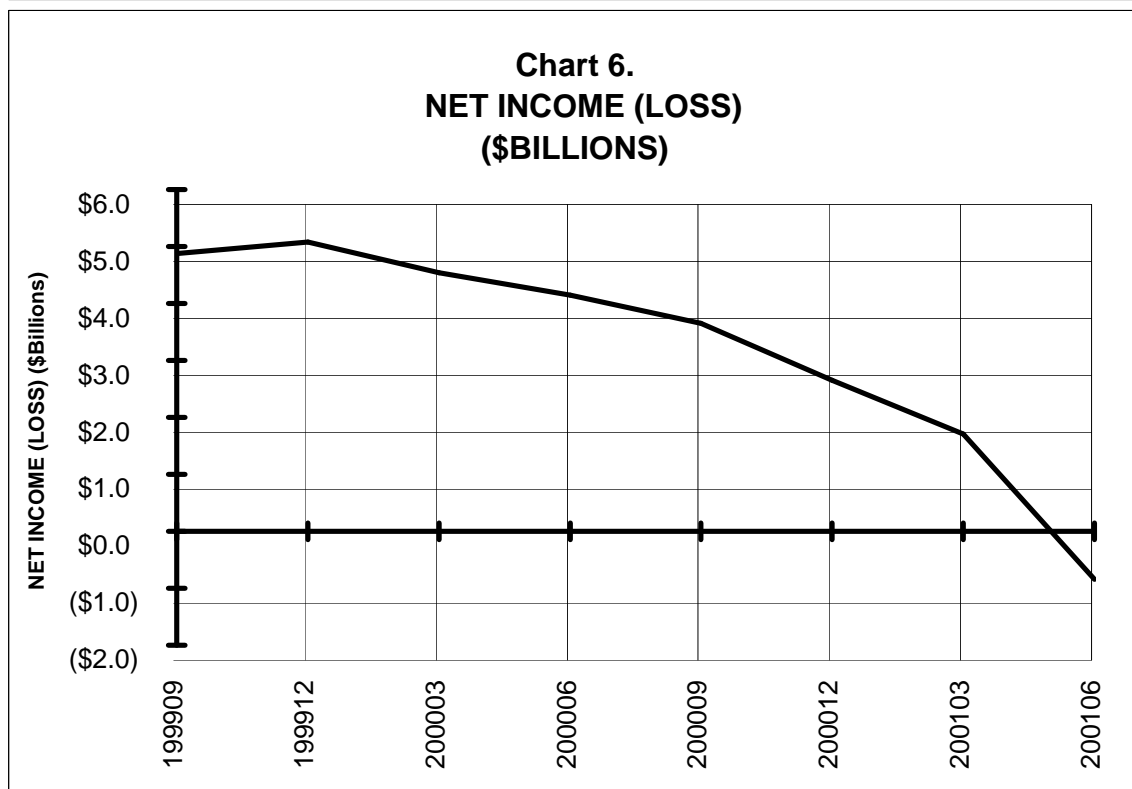
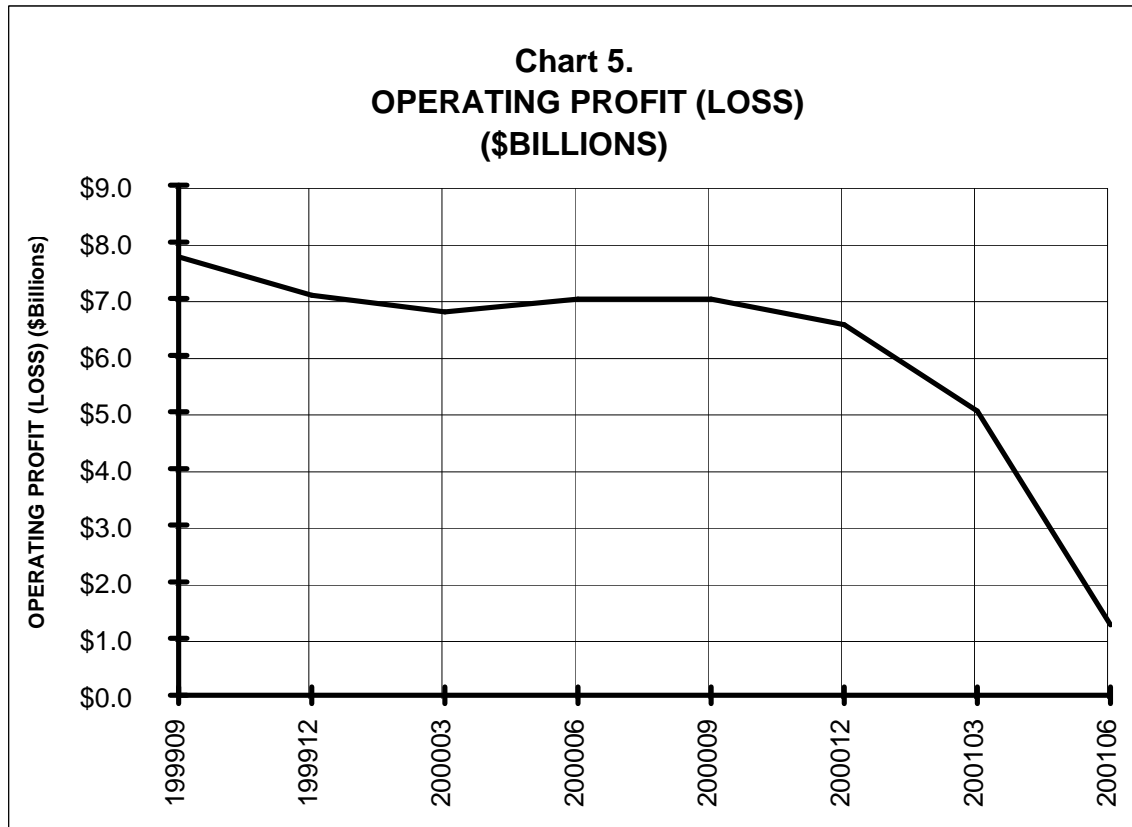
COMPARISONS AMONG MAJOR GROUP AIRLINES



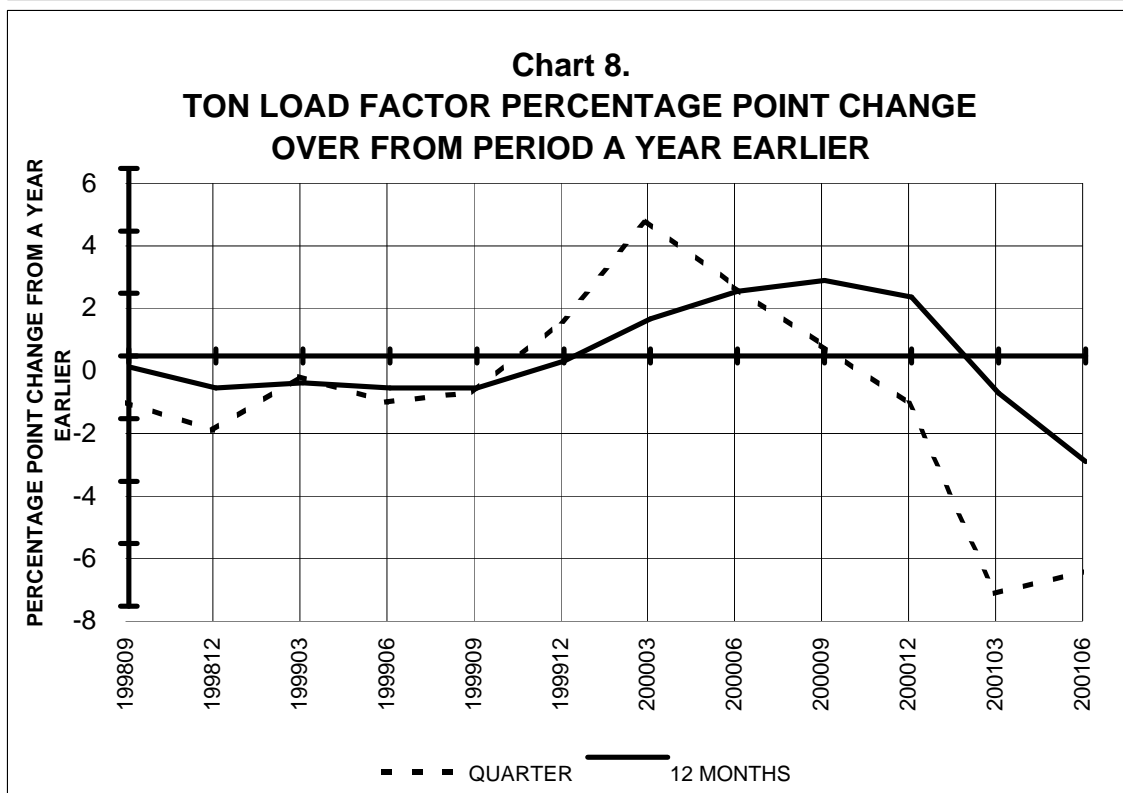
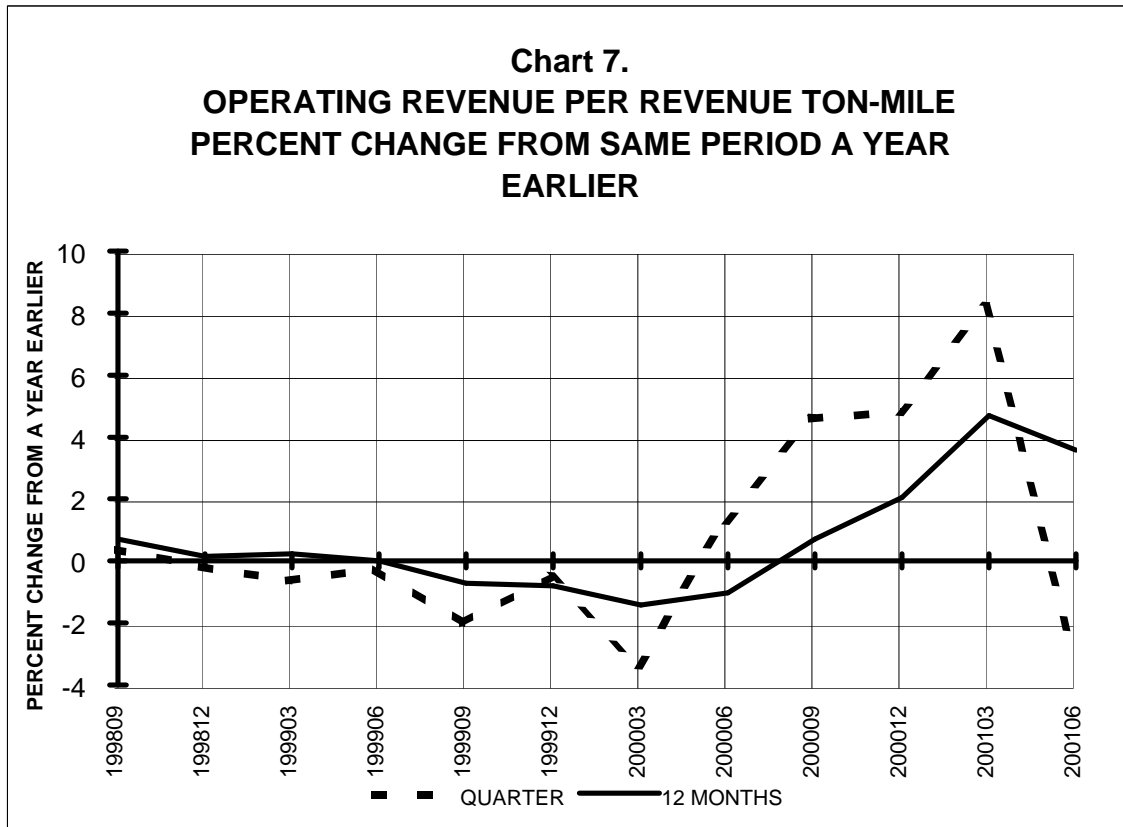
TOTAL ALL MAJORS (SYSTEM) BY QUARTER



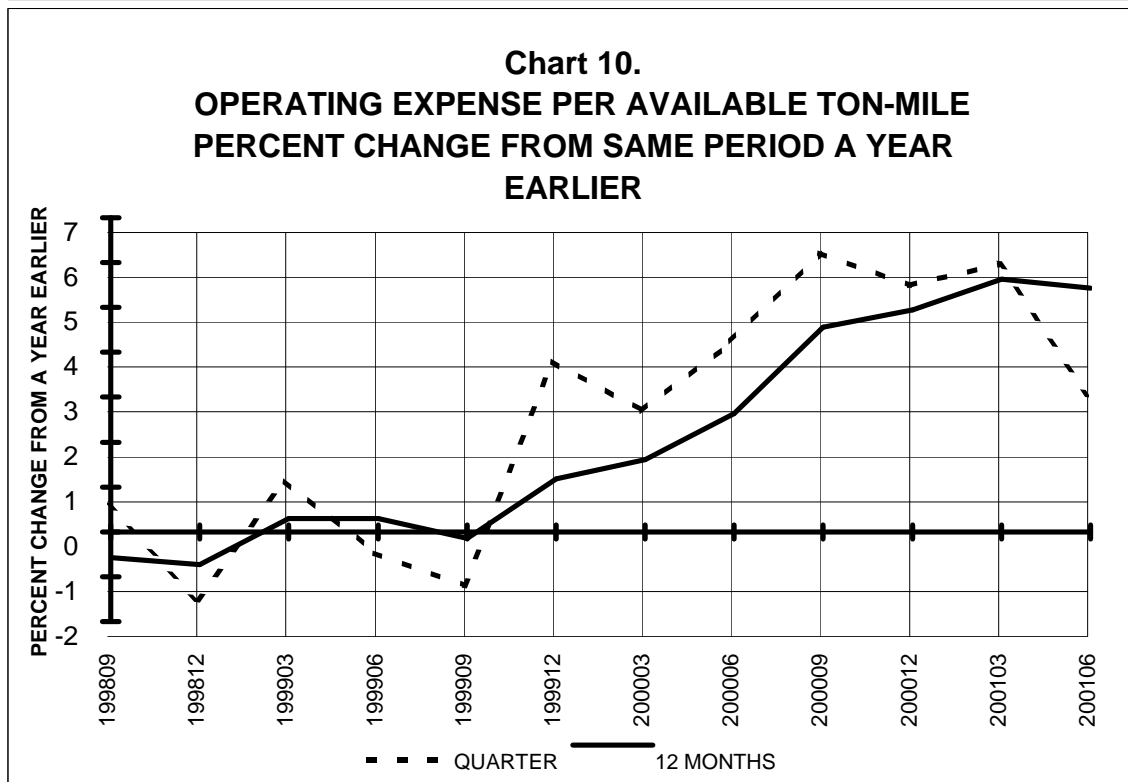
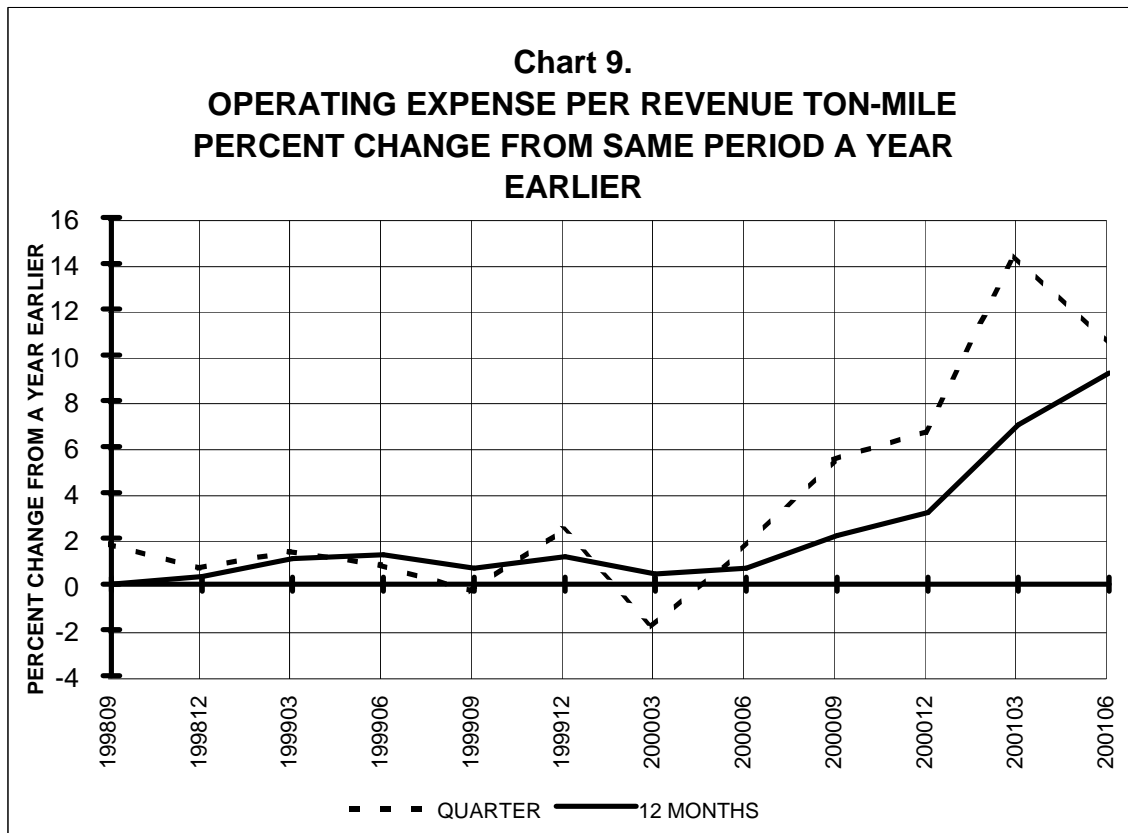
**TOTAL ALL MAJORS (SYSTEM)
BY 12-MONTH ENDING PERIODS**



TOTAL ALL MAJORS (SYSTEM) **QUARTERLY AND 12-MONTH BASIS**



TOTAL ALL MAJORS (SYSTEM) **QUARTERLY AND 12-MONTH BASIS**



QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- For the quarter ended June 2001, the U.S. economic slowdown and the continued rise in fuel expenses resulted in the group experiencing its worst operating and net results ever for any second quarter, and its first second quarter operating and net losses since 1992.
- Six of the ten passenger majors reported an operating loss, and eight of the ten reported a net loss. Many individual carriers reported their first operating and/or net losses for any second quarter since the 1991-93 recession. The only year-to-year improvements among the group were reported by Alaska, which saw improvement in both operating and net results, and American Trans Air, which managed a small gain in net income.
- For the group, operating expenses jumped 10.3 percent, while operating revenues declined 4.7 percent, resulting in operating profit tumbling \$3.53 billion to a loss of \$724.4 million. American alone fell \$1.15 billion and United dropped \$1 billion.
- Total fuel expense jumped 12.9 percent (\$386.2 million) due to the continued climb in unit fuel prices, up 12.2 percent to an average exceeding 80 cents per gallon. Fuel consumption rose only 0.6 percent.
- Net income plunged \$2.39 billion to a loss of \$729.2 million

| Quarter Ended | \$ Millions | | | | | |
|---------------|-------------------------|-------------------|--------------|-------------------|-------------------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change |
| March | 714.9 | -858.5 | -1,573.4 | 33.3 | -955.6 | -988.9 |
| June | 2,803.9 | -724.4 | -3,528.3 | 1,656.4 | -729.2 | -2,385.6 |
| Sept. | 1,943.8 | 0.0 | - | 743.2 | 0.0 | - |
| Dec. | 35.7 | 0.0 | - | -297.3 | 0.0 | - |

- RPM traffic dipped 0.9 percent while ASM capacity rose 3 percent, causing the passenger load factor to fall 2.9 percentage points to 73.5 percent. America West was the only major not to experience a decline.
- Except for American Eagle, all majors showed a drop in passenger (RPM) yield, which for the group fell 6 percent to 12.6 cents.
- A small gain in Latin net results was the only bright spot as all other entity operating and net results fell deeply into the red. The domestic entity was by the far most dominant, however, with operating results dropping \$1.4 billion to a \$605.1 million loss, and net results falling \$947.3 million to a loss of \$756.9 million.

| ENTITY | \$ Millions | | | | | | TRAFFIC (Billions) | | | CAPACITY (Billions) | | | PAX. L.F. |
|----------|-------------------------|--------|-----------|-------------------|--------|-----------|--------------------|-------|----------|---------------------|-------|----------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | | RPMs (Sch. Svc.) | | | ASMs (Sch. Svc.) | | | |
| | 2000 | 2001 | \$ Change | 2000 | 2001 | \$ Change | 2000 | 2001 | Change % | 2000 | 2001 | Change % | |
| Domestic | 804.2 | -605.1 | -1,409.3 | 190.3 | -756.9 | -947.3 | 108.8 | 109.2 | 0.4 | 160.9 | 162.4 | 0.9 | 67.3% |
| Int'l | -89.3 | -253.4 | -164.1 | -157.0 | -198.6 | -41.6 | 39.0 | 41.5 | 6.3 | 54.7 | 57.9 | 5.9 | 71.6% |
| Atlantic | -130.2 | -142.5 | -12.3 | -114.4 | -133.7 | -19.3 | 17.0 | 18.2 | 7.3 | 24.0 | 26.1 | 8.5 | 69.9% |
| Latin | 74.4 | 67.0 | -7.4 | 32.8 | 62.2 | 29.4 | 9.0 | 9.6 | 6.1 | 13.0 | 13.6 | 4.3 | 70.5% |
| Pacific | -33.6 | -177.9 | -144.3 | -75.4 | -127.2 | -51.8 | 13.0 | 13.7 | 5.2 | 17.6 | 18.2 | 3.4 | 75.0% |
| System | 714.9 | -858.5 | -1,573.4 | 33.3 | -955.6 | -988.9 | 147.8 | 150.7 | 2.0 | 215.5 | 220.2 | 2.2 | 68.4% |

- The operating profit margin fell from a positive 11 percent a year ago to a negative 3 percent, a turn of 14 percentage points to the downside.

12-MONTH RESULTS

- Operating expense growth, up 10.5 percent, more than doubled operating revenue growth, up 4 percent, resulting in a sharp deterioration in operating profit of \$5.54 billion, but it still remained positive at \$396.6 million. United, down \$2.7 billion, and American, down \$1.4 billion, accounted for much of the decline although all majors—excluding Continental, Southwest, and Trans World—contributed to the decline.
- Net income fell into the red, down \$4.8 billion to a \$1.2 billion loss.
- The passenger load factor dipped 0.1 percentage points to 72.1 percent.
- Passenger (RPM) yield rose 1.3 percent to 13.15 cents.

1/ American Trans Air and American Eagle became major air carriers effective January 1, 2000. For comparison purposes, all financial and traffic results for prior periods have been revised to reflect the inclusion of these two carriers.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 24,260.0 | 25,446.9 | 97,609.6 | 98,796.5 | 98,090.4 | 96,198.9 | 93,892.5 |
| 2 | Operating Expenses | 24,984.4 | 22,642.9 | 97,213.1 | 94,871.5 | 92,592.0 | 90,362.4 | 87,954.2 |
| 3 | Operating Profit (Loss) | -724.4 | 2,803.9 | 396.6 | 3,924.9 | 5,498.4 | 5,836.5 | 5,938.3 |
| 4 | Net Income (Loss) | -729.2 | 1,656.4 | -1,238.9 | 1,146.7 | 2,135.6 | 3,009.2 | 3,578.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 169.52 | 171.04 | 653.15 | 654.67 | 651.79 | 646.16 | 637.85 |
| 6 | ASMs - Scheduled Rev. Svc. | 230.51 | 223.73 | 906.42 | 899.64 | 894.93 | 889.72 | 883.55 |
| 7 | Overall RTMs (All Svc.) | 19.74 | 20.21 | 77.04 | 77.51 | 78.51 | 78.04 | 77.17 |
| 8 | Overall ATMs (All Svc.) | 34.88 | 33.41 | 136.09 | 134.62 | 133.68 | 132.39 | 130.89 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 122.9 | 125.9 | 126.7 | 127.5 | 124.9 | 123.3 | 121.7 |
| 10 | Operating Expense per RTM | 126.6 | 112.0 | 126.2 | 122.4 | 117.9 | 115.8 | 114.0 |
| 11 | Operating Profit (Loss) per RTM | -3.7 | 13.9 | 0.5 | 5.1 | 7.0 | 7.5 | 7.7 |
| 12 | Operating Expense per ATM | 71.6 | 67.8 | 71.4 | 70.5 | 69.3 | 68.3 | 67.2 |
| 13 | Passenger Revenue per RPM | 12.60 | 13.41 | 13.15 | 13.36 | 13.33 | 13.16 | 12.98 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.54 | 1.59 | 1.60 | 1.62 | 1.63 |
| 15 | Times Interest Earned | * | * | 0.32 | 2.37 | 3.56 | 4.45 | 5.00 |
| 16 | Current Assets to Current Liabilities | * | * | 0.63 | 0.66 | 0.67 | 0.67 | 0.66 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 34.9 | 38.5 | 39.6 | 40.0 | 42.5 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -3.0 | 11.0 | 0.4 | 4.0 | 5.6 | 6.1 | 6.3 |
| 19 | Net Income to Stockholders Equity | * | * | -4.0 | 3.7 | 6.9 | 9.7 | 11.7 |
| 20 | Corporate Return on Investment | * | * | 1.0 | 4.7 | 6.4 | 7.9 | 9.1 |
| 21 | Debt to Total Investment | * | * | 54.2 | 53.5 | 52.7 | 47.6 | 48.1 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 73.5 | 76.4 | 72.1 | 72.8 | 72.8 | 72.6 | 72.2 |
| 23 | Breakeven | 76.1 | 67.1 | 73.2 | 70.9 | 69.4 | 69.0 | 68.7 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 463,636 | 467,682 | 455,297 | 456,308 | 451,813 | 447,230 | 442,501 |
| 25 | Overall RTM's per Employee (000) | 42.6 | 43.2 | 169.2 | 169.9 | 173.8 | 174.5 | 174.4 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -4.7 | 10.7 | 4.0 | 8.1 | 9.5 | 9.0 | 7.8 |
| 27 | Operating Expenses (%) | 10.3 | 11.0 | 10.5 | 10.7 | 10.7 | 10.7 | 9.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -3,528.3 | 213.5 | -5,541.7 | -1,799.8 | -497.9 | -840.1 | -1,024.5 |
| 29 | Net Income (Loss)(in Millions \$) | -2,385.6 | -423.3 | -4,817.6 | -2,855.3 | -2,409.2 | -1,455.4 | -875.8 |
| 30 | RPMs (Sch. Svc.) (%) | -0.9 | 8.6 | 2.4 | 4.9 | 5.7 | 6.0 | 6.4 |
| 31 | ASMs (Sch. Svc.) (%) | 3.0 | 3.8 | 2.6 | 2.8 | 3.6 | 4.0 | 5.1 |
| 32 | Operating Revenues per RTM (%) | -2.4 | 1.6 | 4.1 | 5.3 | 2.3 | 1.0 | -1.0 |
| 33 | Operating Expense per RTM (%) | 13.0 | 1.9 | 10.7 | 7.8 | 3.5 | 2.6 | 0.8 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -6.0 | 4.8 | 1.3 | 4.2 | 4.9 | 3.8 | 2.0 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|----------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 18,479.2 | 19,628.2 | 74,243.3 | 75,392.3 | 75,098.8 | 73,759.8 | 72,268.8 |
| 2 | Operating Expenses | 19,100.0 | 17,193.8 | 74,129.5 | 72,223.3 | 70,520.5 | 68,933.9 | 67,343.5 |
| 3 | Operating Profit (Loss) | -620.7 | 2,434.4 | 113.8 | 3,169.0 | 4,578.3 | 4,825.9 | 4,925.3 |
| 4 | Net Income (Loss) | -628.7 | 1,455.2 | -1,184.7 | 899.3 | 1,846.5 | 2,638.7 | 3,145.4 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 121.44 | 123.44 | 468.92 | 470.92 | 470.50 | 468.04 | 463.56 |
| 6 | ASMs - Scheduled Rev. Svc. | 167.87 | 163.68 | 662.83 | 658.64 | 657.13 | 655.93 | 653.16 |
| 7 | Overall RTMs (All Svc.) | 13.17 | 13.47 | 51.05 | 51.35 | 52.54 | 52.40 | 52.04 |
| 8 | Overall ATMs (All Svc.) | 23.34 | 22.40 | 91.37 | 90.43 | 90.07 | 89.57 | 88.75 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 140.3 | 145.8 | 145.4 | 146.8 | 142.9 | 140.8 | 138.9 |
| 10 | Operating Expense per RTM | 145.1 | 127.7 | 145.2 | 140.6 | 134.2 | 131.5 | 129.4 |
| 11 | Operating Profit (Loss) per RTM | -4.7 | 18.1 | 0.2 | 6.2 | 8.7 | 9.2 | 9.5 |
| 12 | Operating Expense per ATM | 81.8 | 76.7 | 81.1 | 79.9 | 78.3 | 77.0 | 75.9 |
| 13 | Passenger Revenue per RPM | 13.62 | 14.56 | 14.17 | 14.41 | 14.38 | 14.17 | 13.99 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -3.4 | 12.4 | 0.2 | 4.2 | 6.1 | 6.5 | 6.8 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 0.5 | 4.9 | 6.9 | 8.8 | 10.1 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 72.3 | 75.4 | 70.7 | 71.5 | 71.6 | 71.4 | 71.0 |
| 23 | Breakeven | 74.2 | 64.9 | 71.5 | 69.2 | 67.6 | 67.3 | 67.0 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

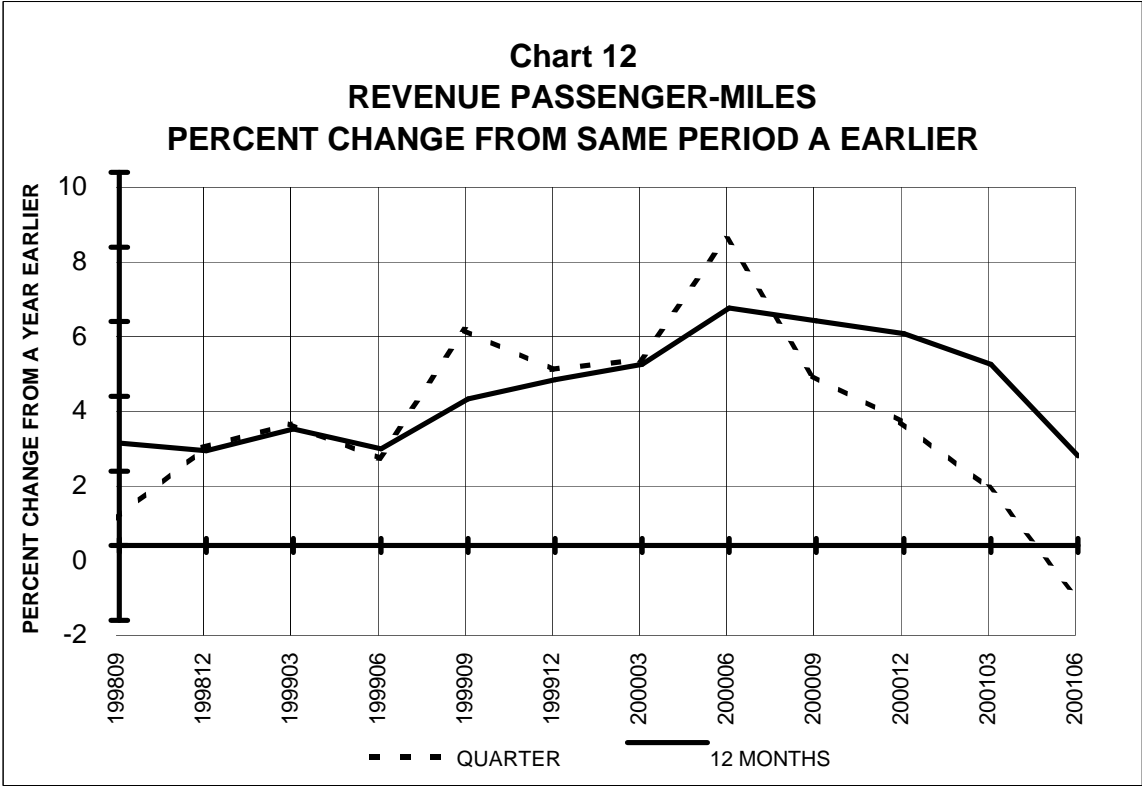
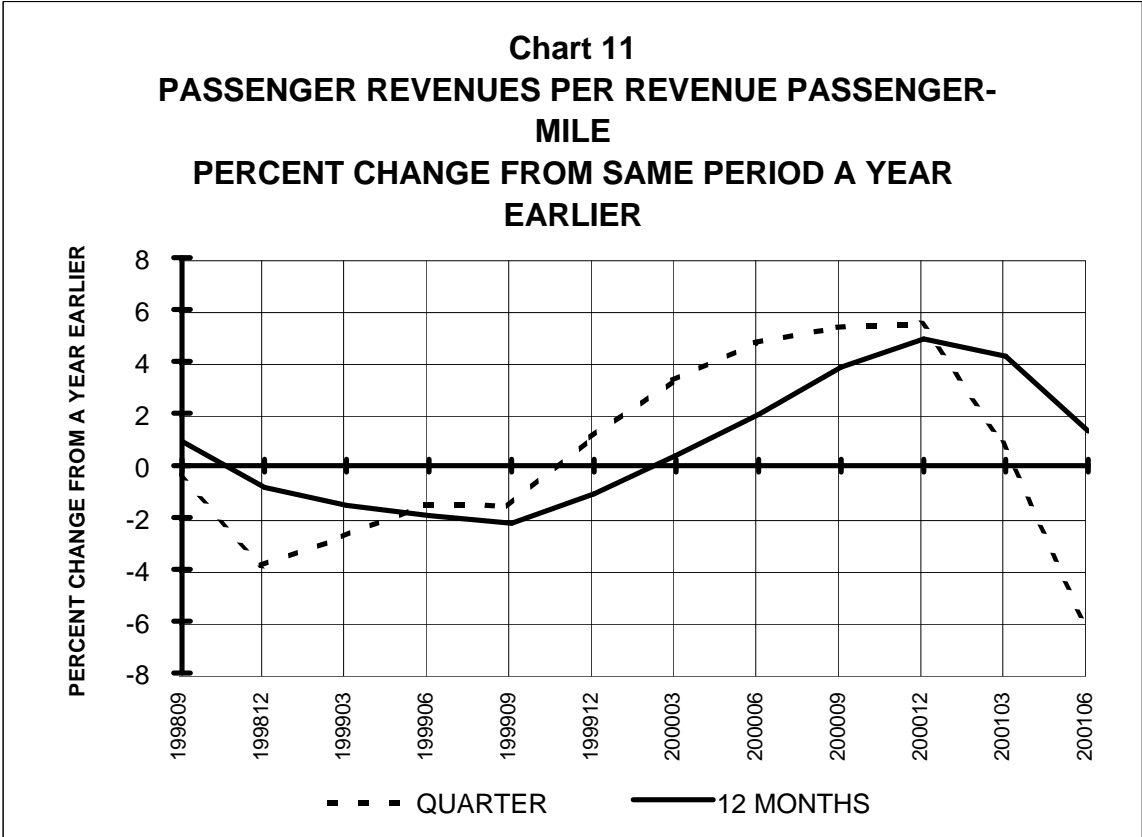
| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|----------|----------|
| 26 | Operating Revenues (%) | -5.9 | 9.7 | 2.7 | 6.9 | 8.6 | 8.3 | 7.5 |
| 27 | Operating Expenses (%) | 11.1 | 10.5 | 10.1 | 9.9 | 10.2 | 10.9 | 10.8 |
| 28 | Operating Profit (Loss) (in Millions \$) | -3,055.1 | 96.9 | -4,811.5 | -1,659.3 | -578.4 | -1,133.7 | -1,538.5 |
| 29 | Net Income (Loss)(in Millions \$) | -2,083.9 | -327.1 | -4,330.1 | -2,573.2 | -2,120.0 | -1,386.0 | -970.9 |
| 30 | RPMs (Sch. Svc.) (%) | -1.6 | 7.4 | 1.2 | 3.5 | 4.8 | 5.6 | 6.0 |
| 31 | ASMs (Sch. Svc.) (%) | 2.6 | 2.8 | 1.5 | 1.5 | 2.8 | 3.9 | 5.5 |
| 32 | Operating Revenues per RTM (%) | -3.8 | 2.1 | 4.7 | 6.4 | 2.1 | 0.8 | -0.9 |
| 33 | Operating Expense per RTM (%) | 13.6 | 2.9 | 12.2 | 9.3 | 3.5 | 3.1 | 2.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -6.5 | 4.9 | 1.3 | 4.4 | 5.0 | 3.7 | 2.1 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS

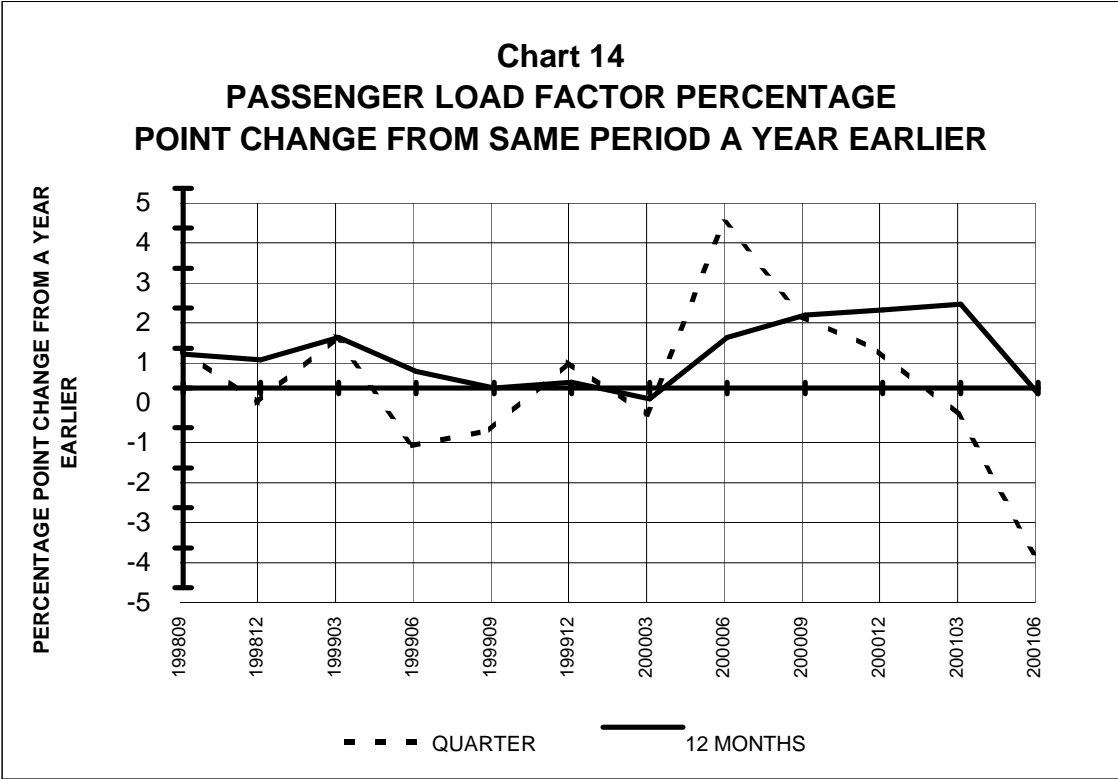
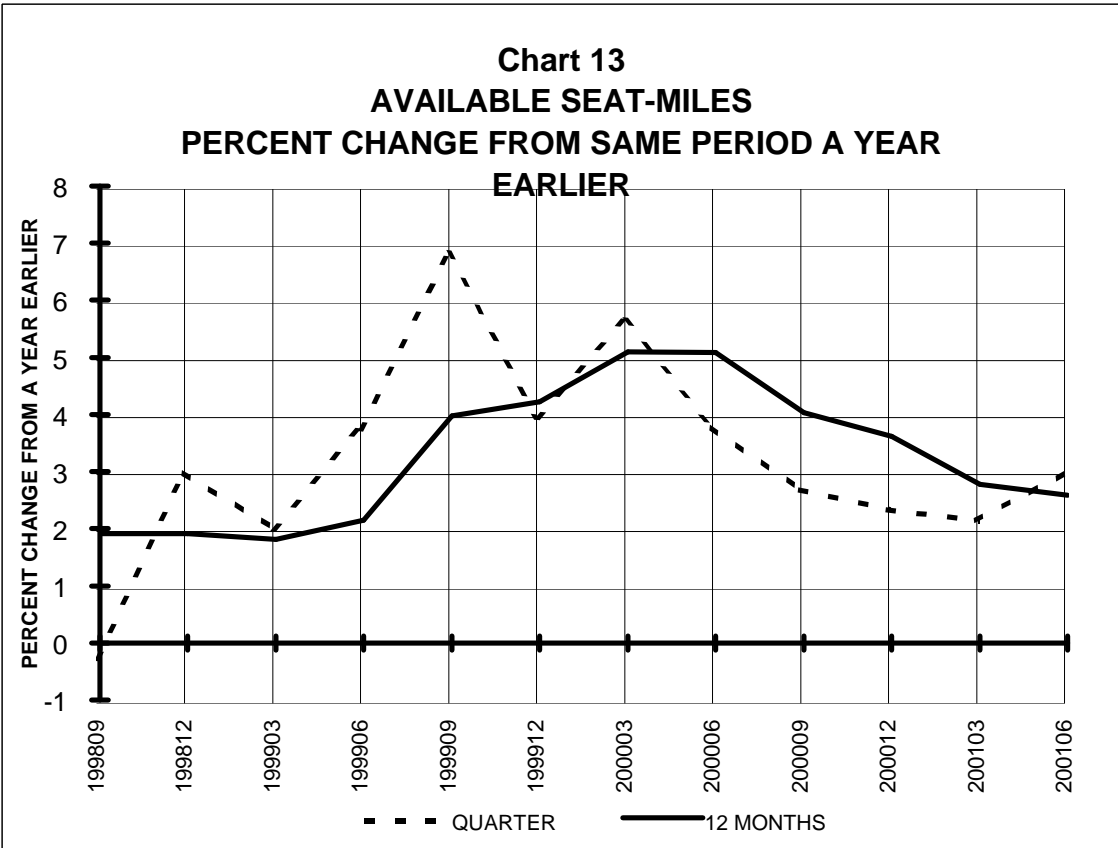
| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 5,780.8 | 5,818.6 | 23,366.3 | 23,404.2 | 22,991.5 | 22,439.1 | 21,623.7 |
| 2 | Operating Expenses | 5,884.5 | 5,449.1 | 23,083.6 | 22,648.3 | 22,071.5 | 21,428.5 | 20,610.7 |
| 3 | Operating Profit (Loss) | -103.7 | 369.5 | 282.7 | 755.9 | 920.0 | 1,010.6 | 1,013.0 |
| 4 | Net Income (Loss) | -100.4 | 201.2 | -54.2 | 247.5 | 289.1 | 370.5 | 433.3 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 48.08 | 47.60 | 184.23 | 183.75 | 181.29 | 178.11 | 174.29 |
| 6 | ASMs - Scheduled Rev. Svc. | 62.63 | 60.05 | 243.59 | 241.00 | 237.79 | 233.78 | 230.39 |
| 7 | Overall RTMs (All Svc.) | 6.57 | 6.74 | 25.99 | 26.16 | 25.98 | 25.63 | 25.12 |
| 8 | Overall ATMs (All Svc.) | 11.54 | 11.01 | 44.71 | 44.18 | 43.60 | 42.82 | 42.13 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 88.0 | 86.3 | 89.9 | 89.5 | 88.5 | 87.5 | 86.1 |
| 10 | Operating Expense per RTM | 89.6 | 80.8 | 88.8 | 86.6 | 85.0 | 83.6 | 82.0 |
| 11 | Operating Profit (Loss) per RTM | -1.6 | 5.5 | 1.1 | 2.9 | 3.5 | 3.9 | 4.0 |
| 12 | Operating Expense per ATM | 51.0 | 49.5 | 51.6 | 51.3 | 50.6 | 50.0 | 48.9 |
| 13 | Passenger Revenue per RPM | 10.04 | 10.41 | 10.54 | 10.64 | 10.58 | 10.51 | 10.32 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -1.8 | 6.4 | 1.2 | 3.2 | 4.0 | 4.5 | 4.7 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 2.5 | 4.4 | 4.6 | 5.2 | 5.7 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 76.8 | 79.3 | 75.6 | 76.2 | 76.2 | 76.2 | 75.7 |
| 23 | Breakeven | 82.0 | 74.5 | 77.6 | 75.8 | 75.2 | 74.7 | 74.2 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|-------|-------|
| 26 | Operating Revenues (%) | -0.7 | 14.3 | 8.1 | 12.0 | 12.5 | 11.3 | 8.9 |
| 27 | Operating Expenses (%) | 8.0 | 12.7 | 12.0 | 13.3 | 12.6 | 10.2 | 6.4 |
| 28 | Operating Profit (Loss) (in Millions \$) | -473.2 | 116.6 | -730.3 | -140.5 | 80.4 | 293.6 | 514.0 |
| 29 | Net Income (Loss)(in Millions \$) | -301.6 | -96.2 | -487.5 | -282.0 | -289.2 | -69.4 | 95.1 |
| 30 | RPMs (Sch. Svc.) (%) | 1.0 | 11.7 | 5.7 | 8.5 | 8.1 | 7.3 | 7.3 |
| 31 | ASMs (Sch. Svc.) (%) | 4.3 | 6.8 | 5.7 | 6.4 | 5.8 | 4.4 | 4.0 |
| 32 | Operating Revenues per RTM (%) | 2.0 | 2.1 | 4.4 | 4.6 | 3.9 | 2.1 | -0.8 |
| 33 | Operating Expense per RTM (%) | 10.9 | 0.6 | 8.3 | 5.7 | 4.0 | 1.2 | -3.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -3.6 | 5.8 | 2.1 | 4.6 | 5.1 | 4.7 | 2.1 |

TOTAL PASSENGER MAJORS (SYSTEM) **QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

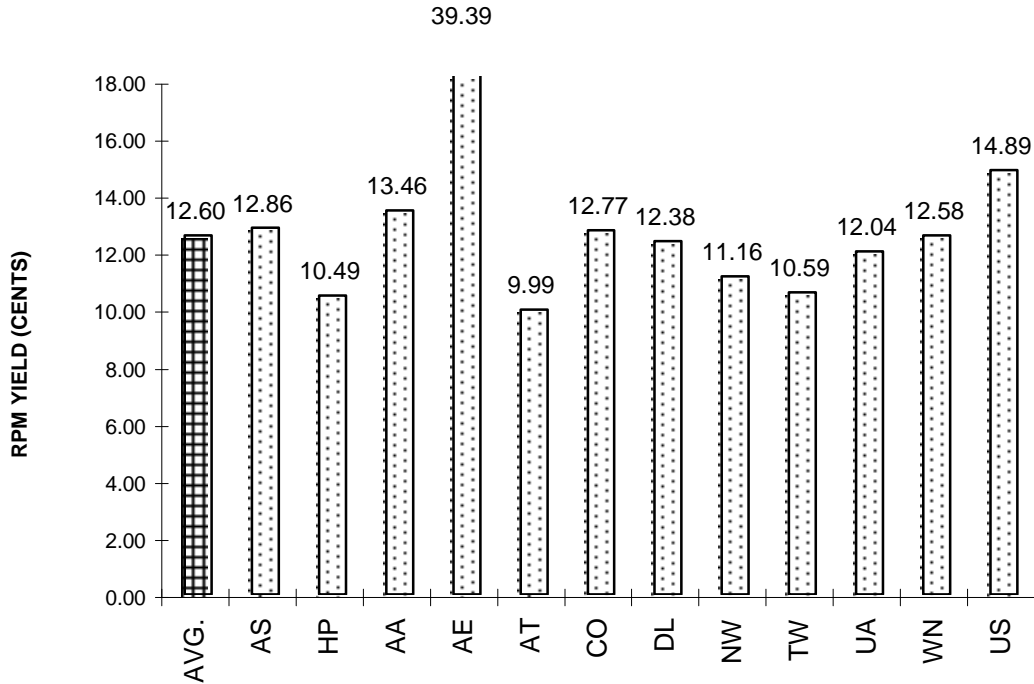


TOTAL PASSENGER MAJORS (SYSTEM) **QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

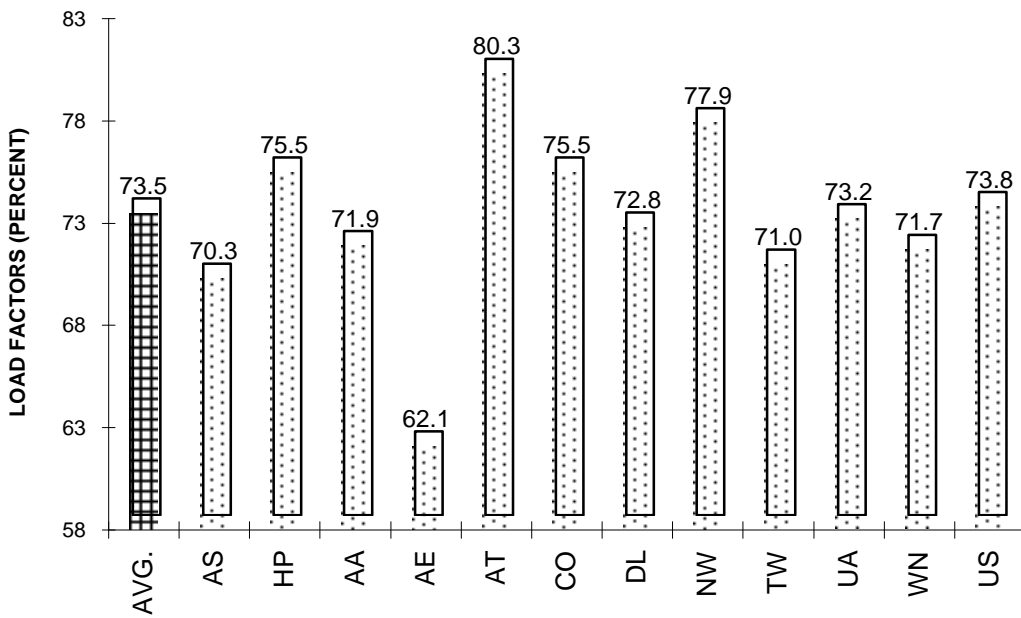


TOTAL PASSENGER MAJORS (SYSTEM) SECOND QUARTER 2001 (SCH. SVC.)

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 474.6 | 446.4 | 1,813.6 | 1,785.5 | 1,762.6 | 1,741.0 | 1,732.4 |
| 2 | Operating Expenses | 463.1 | 437.9 | 1,839.8 | 1,814.5 | 1,772.2 | 1,692.2 | 1,641.4 |
| 3 | Operating Profit (Loss) | 11.5 | 8.6 | -26.2 | -29.1 | -9.6 | 48.8 | 91.0 |
| 4 | Net Income (Loss) | 4.8 | -0.8 | -22.0 | -27.6 | -12.5 | 25.3 | 56.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 3.29 | 3.05 | 12.30 | 12.06 | 11.98 | 11.91 | 11.95 |
| 6 | ASMs - Scheduled Rev. Svc. | 4.68 | 4.21 | 17.97 | 17.49 | 17.30 | 17.23 | 17.37 |
| 7 | Overall RTMs (All Svc.) | 0.38 | 0.32 | 1.33 | 1.27 | 1.27 | 1.26 | 1.27 |
| 8 | Overall ATMs (All Svc.) | 0.68 | 0.55 | 2.41 | 2.29 | 2.27 | 2.26 | 2.28 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 123.5 | 138.1 | 136.0 | 140.3 | 139.3 | 138.1 | 136.6 |
| 10 | Operating Expense per RTM | 120.6 | 135.5 | 137.9 | 142.5 | 140.0 | 134.3 | 129.5 |
| 11 | Operating Profit (Loss) per RTM | 3.0 | 2.6 | -2.0 | -2.3 | -0.8 | 3.9 | 7.2 |
| 12 | Operating Expense per ATM | 68.5 | 79.2 | 76.2 | 79.2 | 78.1 | 74.7 | 71.9 |
| 13 | Passenger Revenue per RPM | 12.86 | 13.13 | 13.21 | 13.28 | 13.13 | 12.92 | 12.75 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.47 | 1.52 | 1.56 | 1.71 | 1.82 |
| 15 | Times Interest Earned | * | * | 0.09 | 0.00 | 0.77 | 4.04 | 8.11 |
| 16 | Current Assets to Current Liabilities | * | * | 1.07 | 1.12 | 1.24 | 0.84 | 0.75 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 77.4 | 82.8 | 99.8 | 86.7 | 65.1 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 2.4 | 1.9 | -1.4 | -1.6 | -0.5 | 2.8 | 5.3 |
| 19 | Net Income to Stockholders Equity | * | * | -3.3 | -4.2 | -1.9 | 3.9 | 8.9 |
| 20 | Corporate Return on Investment | * | * | 0.9 | 0.1 | 1.0 | 4.4 | 7.5 |
| 21 | Debt to Total Investment | * | * | 50.3 | 47.4 | 49.0 | 44.5 | 38.9 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 70.3 | 72.4 | 68.5 | 68.9 | 69.3 | 69.1 | 68.8 |
| 23 | Breakeven | 70.9 | 73.4 | 72.3 | 72.9 | 72.7 | 70.1 | 68.0 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 9,599 | 8,582 | 9,176 | 8,921 | 8,687 | 8,524 | 8,455 |
| 25 | Overall RTM's per Employee (000) | 40.0 | 37.7 | 145.4 | 142.7 | 145.7 | 147.8 | 149.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | 6.3 | 3.6 | 4.7 | 4.0 | 4.0 | 4.5 | 5.8 |
| 27 | Operating Expenses (%) | 5.8 | 16.7 | 12.1 | 14.9 | 16.7 | 14.9 | 14.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | 2.9 | -47.3 | -117.2 | -167.4 | -186.3 | -144.3 | -105.6 |
| 29 | Net Income (Loss)(in Millions \$) | 5.6 | -37.5 | -78.7 | -121.8 | -131.9 | -103.6 | -64.0 |
| 30 | RPMs (Sch. Svc.) (%) | 7.9 | 2.4 | 2.9 | 1.5 | 1.8 | 2.0 | 2.9 |
| 31 | ASMs (Sch. Svc.) (%) | 11.2 | -1.3 | 3.4 | 0.4 | -0.1 | 0.1 | 1.0 |
| 32 | Operating Revenues per RTM (%) | -10.6 | 1.8 | -0.4 | 3.2 | 2.8 | 3.0 | 3.2 |
| 33 | Operating Expense per RTM (%) | -11.0 | 14.7 | 6.5 | 13.9 | 15.3 | 13.3 | 11.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -2.1 | 3.5 | 3.6 | 5.1 | 4.4 | 3.9 | 4.1 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 577.8 | 609.8 | 2,308.4 | 2,340.4 | 2,309.3 | 2,299.6 | 2,255.0 |
| 2 | Operating Expenses | 633.6 | 560.5 | 2,463.4 | 2,390.3 | 2,322.1 | 2,203.3 | 2,118.9 |
| 3 | Operating Profit (Loss) | -55.8 | 49.3 | -155.0 | -49.9 | -12.7 | 96.3 | 136.1 |
| 4 | Net Income (Loss) | -43.3 | 28.3 | -100.7 | -29.1 | -0.5 | 71.9 | 94.0 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 5.20 | 5.03 | 19.83 | 19.66 | 19.10 | 18.91 | 18.55 |
| 6 | ASMs - Scheduled Rev. Svc. | 6.89 | 6.82 | 27.72 | 27.65 | 27.08 | 26.74 | 26.40 |
| 7 | Overall RTMs (All Svc.) | 0.54 | 0.52 | 2.07 | 2.05 | 1.99 | 1.98 | 1.94 |
| 8 | Overall ATMs (All Svc.) | 0.90 | 0.88 | 3.60 | 3.57 | 3.48 | 3.43 | 3.38 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 106.6 | 116.4 | 111.7 | 114.2 | 115.9 | 116.3 | 116.0 |
| 10 | Operating Expense per RTM | 116.9 | 107.0 | 119.2 | 116.7 | 116.5 | 111.5 | 109.0 |
| 11 | Operating Profit (Loss) per RTM | -10.3 | 9.4 | -7.5 | -2.4 | -0.6 | 4.9 | 7.0 |
| 12 | Operating Expense per ATM | 70.3 | 64.0 | 68.5 | 66.9 | 66.6 | 64.2 | 62.8 |
| 13 | Passenger Revenue per RPM | 10.49 | 11.44 | 11.01 | 11.26 | 11.39 | 11.40 | 11.39 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 2.07 | 2.07 | 2.04 | 2.06 | 2.02 |
| 15 | Times Interest Earned | * | * | -4.69 | -0.61 | 1.66 | 6.69 | 7.37 |
| 16 | Current Assets to Current Liabilities | * | * | 1.00 | 1.08 | 1.08 | 1.09 | 1.10 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 24.8 | 20.7 | 30.8 | 22.2 | 34.3 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -9.7 | 8.1 | -6.7 | -2.1 | -0.6 | 4.2 | 6.0 |
| 19 | Net Income to Stockholders Equity | * | * | -11.4 | -3.2 | -0.1 | 8.0 | 10.7 |
| 20 | Corporate Return on Investment | * | * | -6.7 | -0.4 | 2.0 | 8.5 | 10.7 |
| 21 | Debt to Total Investment | * | * | 19.2 | 20.5 | 25.7 | 17.9 | 20.2 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 75.5 | 73.7 | 71.6 | 71.1 | 70.5 | 70.7 | 70.3 |
| 23 | Breakeven | 86.1 | 68.4 | 79.1 | 74.6 | 72.7 | 69.0 | 67.1 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 11,248 | 10,321 | 11,065 | 10,833 | 10,518 | 10,262 | 10,100 |
| 25 | Overall RTM's per Employee (000) | 48.2 | 50.8 | 186.8 | 189.1 | 189.4 | 192.6 | 192.5 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|--------|-------|
| 26 | Operating Revenues (%) | -5.3 | 9.2 | 2.4 | 6.2 | 6.7 | 9.3 | 9.8 |
| 27 | Operating Expenses (%) | 13.0 | 15.8 | 16.3 | 17.0 | 18.1 | 15.5 | 14.2 |
| 28 | Operating Profit (Loss) (in Millions \$) | -105.1 | -24.8 | -291.1 | -210.8 | -210.6 | -100.3 | -63.1 |
| 29 | Net Income (Loss)(in Millions \$) | -71.6 | -13.2 | -194.7 | -136.3 | -117.1 | -35.0 | -10.9 |
| 30 | RPMs (Sch. Svc.) (%) | 3.5 | 12.4 | 6.9 | 9.3 | 8.0 | 10.0 | 9.5 |
| 31 | ASMs (Sch. Svc.) (%) | 1.0 | 5.1 | 5.0 | 6.1 | 4.7 | 4.8 | 5.1 |
| 32 | Operating Revenues per RTM (%) | -8.4 | -1.7 | -3.7 | -1.9 | -0.1 | 0.3 | 1.0 |
| 33 | Operating Expense per RTM (%) | 9.3 | 4.2 | 9.4 | 8.2 | 10.5 | 6.1 | 5.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -8.3 | -2.3 | -3.3 | -1.7 | -0.4 | -0.4 | 0.4 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 4,403.2 | 4,610.2 | 18,085.7 | 18,292.7 | 18,117.1 | 17,779.8 | 17,198.6 |
| 2 | Operating Expenses | 5,084.7 | 4,140.2 | 18,175.1 | 17,230.7 | 16,874.1 | 16,363.8 | 15,917.5 |
| 3 | Operating Profit (Loss) | -681.5 | 469.9 | -89.4 | 1,062.0 | 1,243.0 | 1,416.0 | 1,281.1 |
| 4 | Net Income (Loss) | -437.1 | 323.6 | -142.5 | 618.2 | 778.0 | 900.6 | 806.9 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 29.49 | 30.43 | 115.00 | 115.95 | 116.51 | 116.51 | 114.76 |
| 6 | ASMs - Scheduled Rev. Svc. | 40.99 | 40.07 | 160.79 | 159.87 | 160.91 | 162.25 | 162.35 |
| 7 | Overall RTMs (All Svc.) | 3.53 | 3.62 | 13.81 | 13.89 | 13.95 | 13.97 | 13.89 |
| 8 | Overall ATMs (All Svc.) | 6.86 | 6.43 | 26.59 | 26.16 | 25.95 | 25.84 | 25.75 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 124.6 | 127.4 | 131.0 | 131.7 | 129.9 | 127.2 | 123.8 |
| 10 | Operating Expense per RTM | 143.9 | 114.4 | 131.6 | 124.0 | 121.0 | 117.1 | 114.6 |
| 11 | Operating Profit (Loss) per RTM | -19.3 | 13.0 | -0.6 | 7.6 | 8.9 | 10.1 | 9.2 |
| 12 | Operating Expense per ATM | 74.1 | 64.4 | 68.3 | 65.9 | 65.0 | 63.3 | 61.8 |
| 13 | Passenger Revenue per RPM | 13.46 | 13.75 | 14.19 | 14.26 | 14.05 | 13.79 | 13.52 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.61 | 1.64 | 1.62 | 1.60 | 1.60 |
| 15 | Times Interest Earned | * | * | -1.67 | 53.14 | -190.98 | -52.92 | -84.99 |
| 16 | Current Assets to Current Liabilities | * | * | 0.64 | 0.65 | 0.65 | 0.85 | 0.85 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 30.2 | 32.6 | 37.8 | 54.0 | 57.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -15.5 | 10.2 | -0.5 | 5.8 | 6.9 | 8.0 | 7.4 |
| 19 | Net Income to Stockholders Equity | * | * | -2.1 | 8.7 | 10.7 | 12.2 | 11.3 |
| 20 | Corporate Return on Investment | * | * | -0.8 | 5.7 | 6.9 | 7.8 | 7.4 |
| 21 | Debt to Total Investment | * | * | 46.9 | 41.0 | 38.8 | 32.7 | 33.8 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 71.9 | 75.9 | 71.5 | 72.5 | 72.4 | 71.8 | 70.7 |
| 23 | Breakeven | 78.1 | 69.4 | 72.3 | 70.2 | 69.3 | 67.5 | 67.0 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 87,243 | 83,123 | 86,004 | 84,974 | 83,855 | 82,772 | 81,612 |
| 25 | Overall RTM's per Employee (000) | 40.5 | 43.5 | 160.6 | 163.5 | 166.3 | 168.8 | 170.3 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|----------|--------|-------|-------|------|
| 26 | Operating Revenues (%) | -4.5 | 12.9 | 5.2 | 9.7 | 12.6 | 12.4 | 8.5 |
| 27 | Operating Expenses (%) | 22.8 | 10.9 | 14.2 | 11.1 | 11.9 | 10.5 | 8.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -1,151.4 | 119.1 | -1,370.5 | -100.0 | 240.1 | 394.3 | 85.3 |
| 29 | Net Income (Loss)(in Millions \$) | -760.7 | 109.7 | -949.4 | -79.0 | 152.2 | 265.2 | 48.4 |
| 30 | RPMs (Sch. Svc.) (%) | -3.1 | 7.9 | 0.2 | 3.0 | 5.8 | 6.8 | 5.9 |
| 31 | ASMs (Sch. Svc.) (%) | 2.3 | 1.9 | -1.0 | -1.1 | 1.7 | 3.9 | 5.1 |
| 32 | Operating Revenues per RTM (%) | -2.2 | 4.0 | 5.8 | 7.5 | 7.1 | 4.8 | -0.2 |
| 33 | Operating Expense per RTM (%) | 25.8 | 2.2 | 14.8 | 8.8 | 6.3 | 3.1 | -0.1 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -2.1 | 6.0 | 5.0 | 7.1 | 7.1 | 6.2 | 3.1 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 370.9 | 314.4 | 1,343.3 | 1,286.9 | 1,245.8 | 1,196.0 | 1,135.2 |
| 2 | Operating Expenses | 452.1 | 287.1 | 1,395.3 | 1,230.3 | 1,183.7 | 1,113.5 | 1,068.9 |
| 3 | Operating Profit (Loss) | -81.3 | 27.3 | -52.0 | 56.6 | 62.1 | 82.5 | 66.2 |
| 4 | Net Income (Loss) | -65.6 | 4.7 | -93.5 | -23.3 | -21.5 | 1.7 | 4.4 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 0.91 | 0.81 | 3.29 | 3.18 | 3.14 | 3.07 | 2.94 |
| 6 | ASMs - Scheduled Rev. Svc. | 1.47 | 1.26 | 5.54 | 5.33 | 5.15 | 4.99 | 4.78 |
| 7 | Overall RTMs (All Svc.) | 0.09 | 0.08 | 0.33 | 0.32 | 0.32 | 0.31 | 0.30 |
| 8 | Overall ATMs (All Svc.) | 0.17 | 0.14 | 0.64 | 0.61 | 0.59 | 0.57 | 0.54 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 405.3 | 387.1 | 407.2 | 402.7 | 394.4 | 387.7 | 384.0 |
| 10 | Operating Expense per RTM | 494.1 | 353.5 | 423.0 | 384.9 | 374.8 | 361.0 | 361.6 |
| 11 | Operating Profit (Loss) per RTM | -88.8 | 33.6 | -15.8 | 17.7 | 19.7 | 26.8 | 22.4 |
| 12 | Operating Expense per ATM | 266.6 | 199.1 | 219.5 | 201.6 | 201.4 | 195.2 | 196.5 |
| 13 | Passenger Revenue per RPM | 39.39 | 37.41 | 39.43 | 38.93 | 38.14 | 37.45 | 37.05 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 0.51 | 0.50 | 0.56 | 0.63 | 0.73 |
| 15 | Times Interest Earned | * | * | -1.58 | 0.59 | 0.69 | 1.52 | 1.57 |
| 16 | Current Assets to Current Liabilities | * | * | 0.81 | 0.88 | 1.03 | 1.30 | 1.30 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 29.9 | 43.4 | 65.9 | 78.6 | 76.8 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -21.9 | 8.7 | -3.9 | 4.4 | 5.0 | 6.9 | 5.8 |
| 19 | Net Income to Stockholders Equity | * | * | -37.9 | -8.9 | -8.0 | 0.6 | 1.7 |
| 20 | Corporate Return on Investment | * | * | -1.6 | 0.9 | 1.0 | 2.1 | 2.4 |
| 21 | Debt to Total Investment | * | * | 93.2 | 90.7 | 90.0 | 89.3 | 89.4 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 62.1 | 64.2 | 59.3 | 59.7 | 61.1 | 61.5 | 61.6 |
| 23 | Breakeven | 77.7 | 57.8 | 61.9 | 56.7 | 57.6 | 56.6 | 57.4 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 8,456 | 31,578 | 8,192 | 13,972 | 13,796 | 13,599 | 13,400 |
| 25 | Overall RTM's per Employee (000) | 10.8 | 2.6 | 40.3 | 22.9 | 22.9 | 22.7 | 22.1 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|--------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | 18.0 | 19.0 | 18.3 | 18.6 | 20.2 | 17.5 | 11.4 |
| 27 | Operating Expenses (%) | 57.5 | 17.4 | 30.5 | 19.9 | 20.5 | 15.9 | 13.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -108.6 | 7.7 | -118.2 | -1.9 | 7.7 | 25.2 | -13.0 |
| 29 | Net Income (Loss)(in Millions \$) | -70.3 | -3.9 | -97.9 | -31.5 | -39.9 | -19.6 | -31.0 |
| 30 | RPMs (Sch. Svc.) (%) | 12.7 | 16.4 | 11.7 | 12.6 | 16.3 | 15.6 | 12.7 |
| 31 | ASMs (Sch. Svc.) (%) | 16.5 | 18.5 | 15.9 | 16.3 | 17.8 | 16.9 | 15.3 |
| 32 | Operating Revenues per RTM (%) | 4.7 | 2.2 | 6.0 | 5.5 | 3.4 | 1.5 | -1.2 |
| 33 | Operating Expense per RTM (%) | 39.8 | 0.8 | 17.0 | 6.6 | 3.7 | 0.2 | 0.8 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | 5.3 | 2.8 | 6.4 | 5.8 | 3.9 | 2.1 | -0.8 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 327.1 | 307.1 | 1,221.9 | 1,202.0 | 1,182.1 | 1,144.2 | 1,096.5 |
| 2 | Operating Expenses | 308.8 | 284.0 | 1,212.5 | 1,187.6 | 1,162.8 | 1,098.5 | 1,037.7 |
| 3 | Operating Profit (Loss) | 18.3 | 23.2 | 9.4 | 14.3 | 19.3 | 45.7 | 58.7 |
| 4 | Net Income (Loss) | 6.9 | 10.8 | -15.5 | -11.7 | -5.6 | 11.3 | 22.6 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 2.25 | 2.00 | 8.02 | 7.77 | 7.49 | 7.27 | 7.29 |
| 6 | ASMs - Scheduled Rev. Svc. | 2.81 | 2.45 | 10.53 | 10.18 | 9.80 | 9.39 | 9.36 |
| 7 | Overall RTMs (All Svc.) | 0.28 | 0.31 | 1.14 | 1.17 | 1.17 | 1.16 | 1.12 |
| 8 | Overall ATMs (All Svc.) | 0.39 | 0.42 | 1.56 | 1.59 | 1.61 | 1.58 | 1.53 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 114.9 | 98.4 | 106.7 | 102.5 | 101.1 | 99.0 | 97.6 |
| 10 | Operating Expense per RTM | 108.5 | 91.0 | 105.9 | 101.3 | 99.4 | 95.1 | 92.4 |
| 11 | Operating Profit (Loss) per RTM | 6.4 | 7.4 | 0.8 | 1.2 | 1.7 | 4.0 | 5.2 |
| 12 | Operating Expense per ATM | 79.9 | 68.1 | 77.9 | 74.8 | 72.4 | 69.6 | 67.9 |
| 13 | Passenger Revenue per RPM | 9.99 | 10.02 | 9.95 | 9.96 | 10.02 | 9.88 | 9.55 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 2.27 | 2.35 | 2.44 | 2.54 | 2.60 |
| 15 | Times Interest Earned | * | * | 0.28 | 0.52 | 0.83 | 2.13 | 2.96 |
| 16 | Current Assets to Current Liabilities | * | * | 0.59 | 0.60 | 0.63 | 0.90 | 0.92 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 36.5 | 43.5 | 46.8 | 48.2 | 48.9 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 5.6 | 7.5 | 0.8 | 1.2 | 1.6 | 4.0 | 5.4 |
| 19 | Net Income to Stockholders Equity | * | * | -15.1 | -11.2 | -5.2 | 10.5 | 22.6 |
| 20 | Corporate Return on Investment | * | * | 2.0 | 2.9 | 4.1 | 7.5 | 10.3 |
| 21 | Debt to Total Investment | * | * | 84.1 | 84.1 | 82.6 | 75.5 | 76.2 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 80.3 | 81.6 | 76.1 | 76.3 | 76.4 | 77.4 | 77.9 |
| 23 | Breakeven | 73.1 | 71.1 | 75.9 | 75.6 | 75.1 | 72.5 | 71.2 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 7,058 | 6,391 | 6,947 | 6,781 | 6,488 | 6,199 | 5,892 |
| 25 | Overall RTM's per Employee (000) | 40.3 | 48.8 | 164.8 | 172.9 | 180.3 | 186.4 | 190.7 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | 6.5 | 21.7 | 11.4 | 15.4 | 18.1 | 17.5 | 18.0 |
| 27 | Operating Expenses (%) | 8.7 | 27.5 | 16.8 | 21.6 | 27.1 | 24.6 | 22.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -4.9 | -6.5 | -49.3 | -50.9 | -67.0 | -46.4 | -24.9 |
| 29 | Net Income (Loss)(in Millions \$) | -3.9 | -6.1 | -38.1 | -40.5 | -48.9 | -38.7 | -21.4 |
| 30 | RPMs (Sch. Svc.) (%) | 12.5 | 14.4 | 9.9 | 10.3 | 10.0 | 9.7 | 23.9 |
| 31 | ASMs (Sch. Svc.) (%) | 14.4 | 12.2 | 12.5 | 11.9 | 11.7 | 8.7 | 21.5 |
| 32 | Operating Revenues per RTM (%) | 16.8 | 2.0 | 9.3 | 5.6 | 6.0 | 5.7 | 4.8 |
| 33 | Operating Expense per RTM (%) | 19.2 | 6.9 | 14.6 | 11.3 | 14.0 | 12.1 | 9.0 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -0.3 | 6.5 | 4.2 | 6.2 | 1.1 | -0.8 | -9.3 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 2,330.4 | 2,449.6 | 9,457.1 | 9,576.3 | 9,449.2 | 9,201.4 | 8,892.3 |
| 2 | Operating Expenses | 2,225.5 | 2,219.6 | 8,927.8 | 8,921.9 | 8,860.0 | 8,750.3 | 8,521.2 |
| 3 | Operating Profit (Loss) | 104.9 | 230.0 | 529.3 | 654.4 | 589.1 | 451.1 | 371.0 |
| 4 | Net Income (Loss) | 37.5 | 133.4 | 213.7 | 309.7 | 308.1 | 418.8 | 381.3 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 16.45 | 16.40 | 63.52 | 63.48 | 63.53 | 63.16 | 62.17 |
| 6 | ASMs - Scheduled Rev. Svc. | 21.80 | 21.09 | 85.85 | 85.13 | 84.85 | 84.46 | 83.67 |
| 7 | Overall RTMs (All Svc.) | 1.86 | 1.92 | 7.32 | 7.37 | 7.40 | 7.38 | 7.26 |
| 8 | Overall ATMs (All Svc.) | 2.81 | 2.80 | 11.19 | 11.18 | 11.18 | 11.16 | 10.99 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 125.1 | 127.7 | 129.3 | 129.9 | 127.7 | 124.7 | 122.4 |
| 10 | Operating Expense per RTM | 119.4 | 115.7 | 122.0 | 121.0 | 119.8 | 118.6 | 117.3 |
| 11 | Operating Profit (Loss) per RTM | 5.6 | 12.0 | 7.2 | 8.9 | 8.0 | 6.1 | 5.1 |
| 12 | Operating Expense per ATM | 79.1 | 79.1 | 79.8 | 79.8 | 79.2 | 78.4 | 77.5 |
| 13 | Passenger Revenue per RPM | 12.77 | 13.24 | 13.18 | 13.31 | 13.11 | 12.82 | 12.49 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.82 | 1.87 | 1.85 | 1.81 | 1.75 |
| 15 | Times Interest Earned | * | * | 2.89 | 3.63 | 3.48 | 3.47 | 3.24 |
| 16 | Current Assets to Current Liabilities | * | * | 0.67 | 0.65 | 0.85 | 0.68 | 0.69 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 40.2 | 40.1 | 60.1 | 50.4 | 59.0 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 4.5 | 9.4 | 5.6 | 6.8 | 6.2 | 4.9 | 4.2 |
| 19 | Net Income to Stockholders Equity | * | * | 14.2 | 20.2 | 19.1 | 24.9 | 22.6 |
| 20 | Corporate Return on Investment | * | * | 8.1 | 10.1 | 10.2 | 12.8 | 12.0 |
| 21 | Debt to Total Investment | * | * | 74.2 | 75.0 | 74.0 | 65.5 | 66.5 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 75.5 | 77.8 | 74.0 | 74.6 | 74.9 | 74.8 | 74.3 |
| 23 | Breakeven | 71.7 | 71.1 | 70.7 | 70.5 | 71.4 | 72.5 | 73.2 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 37,113 | 35,491 | 36,307 | 35,902 | 35,588 | 35,412 | 35,248 |
| 25 | Overall RTM's per Employee (000) | 50.2 | 54.1 | 201.5 | 205.3 | 207.9 | 208.3 | 206.1 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|--------|-------|--------|--------|--------|
| 26 | Operating Revenues (%) | -4.9 | 15.8 | 6.4 | 11.9 | 12.7 | 11.6 | 9.0 |
| 27 | Operating Expenses (%) | 0.3 | 16.1 | 4.8 | 8.6 | 11.7 | 14.4 | 12.3 |
| 28 | Operating Profit (Loss) (in Millions \$) | -125.1 | 26.3 | 158.3 | 309.7 | 140.0 | -145.6 | -201.0 |
| 29 | Net Income (Loss)(in Millions \$) | -95.9 | 8.9 | -167.6 | -62.7 | -141.5 | 56.8 | 62.4 |
| 30 | RPMs (Sch. Svc.) (%) | 0.3 | 10.8 | 2.2 | 4.8 | 6.8 | 8.7 | 8.6 |
| 31 | ASMs (Sch. Svc.) (%) | 3.4 | 6.1 | 2.6 | 3.2 | 4.8 | 6.1 | 6.7 |
| 32 | Operating Revenues per RTM (%) | -2.0 | 2.8 | 5.6 | 7.0 | 5.1 | 1.4 | -1.2 |
| 33 | Operating Expense per RTM (%) | 3.2 | 3.0 | 4.0 | 3.9 | 4.2 | 3.9 | 1.8 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -3.6 | 7.6 | 5.5 | 8.7 | 7.8 | 5.1 | 1.6 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,711.0 | 3,973.5 | 15,031.9 | 15,294.4 | 15,320.9 | 15,179.6 | 14,983.6 |
| 2 | Operating Expenses | 3,687.1 | 3,396.0 | 14,526.7 | 14,235.6 | 13,861.5 | 13,879.8 | 13,837.7 |
| 3 | Operating Profit (Loss) | 23.9 | 577.4 | 505.2 | 1,058.7 | 1,459.4 | 1,299.7 | 1,146.0 |
| 4 | Net Income (Loss) | -26.8 | 434.5 | -144.7 | 316.5 | 686.5 | 1,076.3 | 1,371.7 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 27.21 | 28.89 | 105.68 | 107.36 | 107.78 | 107.74 | 106.79 |
| 6 | ASMs - Scheduled Rev. Svc. | 37.38 | 37.10 | 147.62 | 147.34 | 147.06 | 146.76 | 146.42 |
| 7 | Overall RTMs (All Svc.) | 3.13 | 3.35 | 12.34 | 12.57 | 12.62 | 12.60 | 12.50 |
| 8 | Overall ATMs (All Svc.) | 5.68 | 5.59 | 22.38 | 22.28 | 22.18 | 21.99 | 21.75 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 118.6 | 118.5 | 121.8 | 121.7 | 121.4 | 120.4 | 119.8 |
| 10 | Operating Expense per RTM | 117.8 | 101.3 | 117.7 | 113.3 | 109.9 | 110.1 | 110.7 |
| 11 | Operating Profit (Loss) per RTM | 0.8 | 17.2 | 4.1 | 8.4 | 11.6 | 10.3 | 9.2 |
| 12 | Operating Expense per ATM | 64.9 | 60.8 | 64.9 | 63.9 | 62.5 | 63.1 | 63.6 |
| 13 | Passenger Revenue per RPM | 12.38 | 13.46 | 12.88 | 13.17 | 13.12 | 12.92 | 12.80 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.36 | 1.40 | 1.41 | 1.51 | 1.61 |
| 15 | Times Interest Earned | * | * | 0.93 | 2.76 | 4.11 | 5.98 | 7.29 |
| 16 | Current Assets to Current Liabilities | * | * | 0.56 | 0.57 | 0.40 | 0.44 | 0.44 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 33.3 | 21.0 | 22.4 | 30.6 | 33.5 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 0.6 | 14.5 | 3.4 | 6.9 | 9.5 | 8.6 | 7.6 |
| 19 | Net Income to Stockholders Equity | * | * | -2.7 | 6.1 | 13.3 | 21.3 | 28.3 |
| 20 | Corporate Return on Investment | * | * | 2.0 | 6.4 | 10.1 | 14.5 | 18.5 |
| 21 | Debt to Total Investment | * | * | 51.9 | 52.2 | 55.1 | 50.2 | 52.6 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 72.8 | 77.9 | 71.6 | 72.9 | 73.3 | 73.4 | 72.9 |
| 23 | Breakeven | 73.0 | 60.3 | 69.3 | 66.0 | 64.2 | 65.8 | 66.7 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 71,556 | 66,086 | 67,730 | 66,362 | 65,837 | 65,156 | 64,592 |
| 25 | Overall RTM's per Employee (000) | 43.7 | 50.7 | 182.2 | 189.4 | 191.7 | 193.4 | 193.6 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|----------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | -6.6 | 1.4 | 0.3 | 2.4 | 2.8 | 2.2 | 0.7 |
| 27 | Operating Expenses (%) | 8.6 | 2.7 | 5.0 | 3.5 | 1.6 | 4.8 | 6.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | -553.5 | -35.4 | -640.8 | -122.6 | 198.3 | -306.8 | -685.2 |
| 29 | Net Income (Loss)(in Millions \$) | -461.3 | 70.1 | -1,516.4 | -985.1 | -599.1 | -50.4 | 270.6 |
| 30 | RPMs (Sch. Svc.) (%) | -5.8 | 7.1 | -1.0 | 2.4 | 2.9 | 3.2 | 2.5 |
| 31 | ASMs (Sch. Svc.) (%) | 0.8 | 3.1 | 0.8 | 1.4 | 1.7 | 1.7 | 2.2 |
| 32 | Operating Revenues per RTM (%) | 0.1 | -5.5 | 1.7 | 0.1 | -0.4 | -1.5 | -2.5 |
| 33 | Operating Expense per RTM (%) | 16.3 | -4.3 | 6.3 | 1.2 | -1.5 | 1.0 | 2.8 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -8.0 | 4.7 | 0.6 | 4.3 | 4.0 | 2.3 | 0.5 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 2,631.7 | 2,823.3 | 10,856.7 | 11,048.3 | 10,956.6 | 10,794.8 | 10,466.1 |
| 2 | Operating Expenses | 2,651.4 | 2,547.5 | 10,736.8 | 10,632.9 | 10,293.1 | 10,032.9 | 9,692.2 |
| 3 | Operating Profit (Loss) | -19.7 | 275.9 | 119.9 | 415.4 | 663.5 | 761.9 | 773.8 |
| 4 | Net Income (Loss) | -57.4 | 126.8 | -98.4 | 85.8 | 269.9 | 332.1 | 313.3 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 20.44 | 20.83 | 79.20 | 79.59 | 79.10 | 78.34 | 77.23 |
| 6 | ASMs - Scheduled Rev. Svc. | 26.23 | 26.13 | 103.88 | 103.78 | 103.32 | 102.58 | 101.87 |
| 7 | Overall RTMs (All Svc.) | 2.62 | 2.72 | 10.35 | 10.45 | 10.43 | 10.36 | 10.21 |
| 8 | Overall ATMs (All Svc.) | 4.26 | 4.17 | 16.77 | 16.67 | 16.52 | 16.38 | 16.27 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 100.6 | 103.9 | 104.9 | 105.7 | 105.1 | 104.2 | 102.5 |
| 10 | Operating Expense per RTM | 101.4 | 93.8 | 103.7 | 101.7 | 98.7 | 96.8 | 94.9 |
| 11 | Operating Profit (Loss) per RTM | -0.8 | 10.2 | 1.2 | 4.0 | 6.4 | 7.4 | 7.6 |
| 12 | Operating Expense per ATM | 62.2 | 61.1 | 64.0 | 63.8 | 62.3 | 61.2 | 59.6 |
| 13 | Passenger Revenue per RPM | 11.16 | 11.92 | 11.85 | 12.04 | 12.04 | 12.00 | 11.81 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.26 | 1.29 | 1.27 | 1.24 | 1.19 |
| 15 | Times Interest Earned | * | * | 0.56 | 1.51 | 2.41 | 2.66 | 2.53 |
| 16 | Current Assets to Current Liabilities | * | * | 0.62 | 0.71 | 0.52 | 0.63 | 0.60 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 45.7 | 81.2 | 25.0 | 37.4 | 41.5 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -0.7 | 9.8 | 1.1 | 3.8 | 6.1 | 7.1 | 7.4 |
| 19 | Net Income to Stockholders Equity | * | * | -2.0 | 1.7 | 5.5 | 6.8 | 6.6 |
| 20 | Corporate Return on Investment | * | * | 2.4 | 4.6 | 6.8 | 7.6 | 7.4 |
| 21 | Debt to Total Investment | * | * | 44.4 | 42.3 | 41.0 | 41.6 | 42.6 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 77.9 | 79.7 | 76.2 | 76.7 | 76.6 | 76.4 | 75.8 |
| 23 | Breakeven | 81.5 | 71.8 | 77.7 | 75.3 | 72.9 | 71.7 | 71.0 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 49,918 | 49,310 | 49,960 | 49,808 | 49,478 | 49,102 | 48,768 |
| 25 | Overall RTM's per Employee (000) | 52.4 | 55.1 | 207.2 | 209.8 | 210.7 | 211.0 | 209.4 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|--------|--------|--------|-------|-------|
| 26 | Operating Revenues (%) | -6.8 | 13.0 | 3.7 | 8.9 | 11.0 | 13.3 | 21.1 |
| 27 | Operating Expenses (%) | 4.1 | 14.5 | 10.8 | 13.5 | 13.1 | 10.9 | 10.3 |
| 28 | Operating Profit (Loss) (in Millions \$) | -295.6 | 2.2 | -653.9 | -356.3 | -105.3 | 273.6 | 914.2 |
| 29 | Net Income (Loss)(in Millions \$) | -184.2 | 8.0 | -411.7 | -219.5 | -17.9 | 223.9 | 588.6 |
| 30 | RPMs (Sch. Svc.) (%) | -1.9 | 8.5 | 2.6 | 5.3 | 6.7 | 7.5 | 15.1 |
| 31 | ASMs (Sch. Svc.) (%) | 0.4 | 3.7 | 2.0 | 2.8 | 3.9 | 4.0 | 10.8 |
| 32 | Operating Revenues per RTM (%) | -3.2 | 3.2 | 2.3 | 3.9 | 4.0 | 4.2 | 3.7 |
| 33 | Operating Expense per RTM (%) | 8.1 | 4.6 | 9.3 | 8.3 | 5.9 | 2.0 | -5.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -6.4 | 4.2 | 0.3 | 3.0 | 4.0 | 5.5 | 6.4 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 1,553.8 | 1,460.7 | 5,928.7 | 5,835.6 | 5,649.6 | 5,386.6 | 5,143.0 |
| 2 | Operating Expenses | 1,262.8 | 1,146.1 | 4,877.4 | 4,760.7 | 4,629.1 | 4,462.2 | 4,311.9 |
| 3 | Operating Profit (Loss) | 291.0 | 314.6 | 1,051.3 | 1,074.9 | 1,020.5 | 924.4 | 831.0 |
| 4 | Net Income (Loss) | 175.6 | 190.6 | 635.6 | 650.6 | 603.1 | 542.2 | 484.9 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 11.80 | 10.96 | 44.28 | 43.44 | 42.23 | 40.74 | 39.38 |
| 6 | ASMs - Scheduled Rev. Svc. | 16.46 | 14.75 | 63.35 | 61.65 | 59.94 | 58.12 | 56.43 |
| 7 | Overall RTMs (All Svc.) | 1.22 | 1.13 | 4.57 | 4.49 | 4.37 | 4.22 | 4.08 |
| 8 | Overall ATMs (All Svc.) | 2.25 | 1.86 | 8.15 | 7.76 | 7.55 | 7.33 | 7.12 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 127.7 | 129.0 | 129.6 | 130.0 | 129.4 | 127.8 | 126.2 |
| 10 | Operating Expense per RTM | 103.8 | 101.2 | 106.7 | 106.1 | 106.0 | 105.8 | 105.8 |
| 11 | Operating Profit (Loss) per RTM | 23.9 | 27.8 | 23.0 | 23.9 | 23.4 | 21.9 | 20.4 |
| 12 | Operating Expense per ATM | 56.1 | 61.6 | 59.8 | 61.3 | 61.3 | 60.9 | 60.6 |
| 13 | Passenger Revenue per RPM | 12.58 | 12.77 | 12.78 | 12.83 | 12.78 | 12.62 | 12.45 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.38 | 1.42 | 1.43 | 1.43 | 1.43 |
| 15 | Times Interest Earned | * | * | 24.94 | 25.64 | 25.03 | 24.87 | 26.04 |
| 16 | Current Assets to Current Liabilities | * | * | 0.81 | 0.70 | 0.64 | 0.62 | 0.68 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 77.3 | 55.9 | 44.1 | 50.6 | 57.4 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 18.7 | 21.5 | 17.7 | 18.4 | 18.1 | 17.2 | 16.2 |
| 19 | Net Income to Stockholders Equity | * | * | 18.5 | 20.2 | 19.7 | 18.5 | 17.2 |
| 20 | Corporate Return on Investment | * | * | 15.8 | 16.9 | 16.4 | 15.5 | 14.4 |
| 21 | Debt to Total Investment | * | * | 18.4 | 19.2 | 20.1 | 21.3 | 22.5 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 71.7 | 74.3 | 69.9 | 70.5 | 70.5 | 70.1 | 69.8 |
| 23 | Breakeven | 56.0 | 55.5 | 55.3 | 55.2 | 55.5 | 55.9 | 56.5 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 29,758 | 27,506 | 28,794 | 28,231 | 27,830 | 27,467 | 27,209 |
| 25 | Overall RTM's per Employee (000) | 40.9 | 41.2 | 158.8 | 159.0 | 156.9 | 153.5 | 149.8 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|-------|-------|-------|-------|------|
| 26 | Operating Revenues (%) | 6.4 | 19.7 | 15.3 | 19.0 | 19.3 | 17.6 | 15.9 |
| 27 | Operating Expenses (%) | 10.2 | 18.6 | 13.1 | 15.2 | 17.1 | 17.7 | 18.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | -23.6 | 60.5 | 220.3 | 304.4 | 239.0 | 137.7 | 46.9 |
| 29 | Net Income (Loss)(in Millions \$) | -15.0 | 32.8 | 150.7 | 198.6 | 128.7 | 61.2 | 1.3 |
| 30 | RPMs (Sch. Svc.) (%) | 7.6 | 15.7 | 12.4 | 14.6 | 15.8 | 16.5 | 16.4 |
| 31 | ASMs (Sch. Svc.) (%) | 11.6 | 13.6 | 12.3 | 12.8 | 13.3 | 13.3 | 13.0 |
| 32 | Operating Revenues per RTM (%) | -1.0 | 3.6 | 2.7 | 4.1 | 3.4 | 1.3 | 0.1 |
| 33 | Operating Expense per RTM (%) | 2.6 | 2.6 | 0.9 | 0.8 | 1.4 | 1.2 | 1.9 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -1.5 | 4.2 | 2.7 | 4.2 | 3.6 | 1.4 | -0.2 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TRANS WORLD AIRLINES

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 745.1 | 954.9 | 3,353.8 | 3,563.6 | 3,584.6 | 3,538.3 | 3,442.0 |
| 2 | Operating Expenses | 757.1 | 939.6 | 3,635.9 | 3,818.4 | 3,817.3 | 3,902.4 | 3,854.1 |
| 3 | Operating Profit (Loss) | -12.0 | 15.3 | -282.1 | -254.8 | -232.7 | -364.1 | -412.1 |
| 4 | Net Income (Loss) | -13.8 | -4.2 | -356.8 | -347.3 | -266.7 | -387.1 | -406.0 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 6.30 | 7.19 | 26.08 | 26.97 | 27.21 | 27.08 | 26.59 |
| 6 | ASMs - Scheduled Rev. Svc. | 8.87 | 9.56 | 36.87 | 37.56 | 37.63 | 37.46 | 37.00 |
| 7 | Overall RTMs (All Svc.) | 0.67 | 0.78 | 2.83 | 2.94 | 4.09 | 4.09 | 4.04 |
| 8 | Overall ATMs (All Svc.) | 1.26 | 1.37 | 5.30 | 5.42 | 5.55 | 5.49 | 5.38 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 111.1 | 122.1 | 118.6 | 121.2 | 87.6 | 86.6 | 85.3 |
| 10 | Operating Expense per RTM | 112.9 | 120.1 | 128.5 | 129.9 | 93.3 | 95.5 | 95.5 |
| 11 | Operating Profit (Loss) per RTM | -1.8 | 2.0 | -10.0 | -8.7 | -5.7 | -8.9 | -10.2 |
| 12 | Operating Expense per ATM | 60.2 | 68.5 | 68.5 | 70.5 | 68.8 | 71.1 | 71.6 |
| 7 | Passenger Revenue per RPM | 10.59 | 12.15 | 11.51 | 11.90 | 11.92 | 11.82 | 11.68 |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 7.50 | 7.95 | 7.18 | 5.83 | 4.80 |
| 15 | Times Interest Earned | * | * | -2.90 | -2.15 | -1.78 | -3.03 | -3.42 |
| 16 | Current Assets to Current Liabilities | * | * | 0.36 | 0.36 | 0.32 | 0.48 | 0.51 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 4.8 | 7.0 | 10.1 | 15.2 | 19.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -1.6 | 1.6 | -8.4 | -7.1 | -6.5 | -10.3 | -12.0 |
| 19 | Net Income to Stockholders Equity | * | * | 113.9 | 96.5 | 96.6 | 229.7 | 508.0 |
| 20 | Corporate Return on Investment | * | * | -60.5 | -55.2 | -35.2 | -48.6 | -43.5 |
| 21 | Debt to Total Investment | * | * | 102.7 | 243.8 | 213.0 | 162.6 | 150.9 |
| | <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 71.0 | 75.2 | 70.7 | 71.8 | 72.3 | 72.3 | 71.9 |
| 23 | Breakeven | 73.2 | 74.8 | 79.2 | 79.3 | 79.3 | 82.8 | 84.0 |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 18,024 | 19,125 | 18,589 | 18,864 | 19,079 | 19,233 | 19,311 |
| 25 | Overall RTM's per Employee (000) | 37.2 | 40.9 | 152.2 | 155.9 | 214.4 | 212.5 | 209.1 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|-------|-------|-------|--------|--------|
| 26 | Operating Revenues (%) | -22.0 | 10.3 | -2.6 | 6.3 | 8.3 | 8.7 | 6.2 |
| 26 | Operating Expenses (%) | -19.4 | 10.9 | -5.7 | 1.5 | 4.5 | 14.8 | 16.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -27.3 | -3.1 | 130.0 | 154.2 | 110.0 | -220.3 | -350.9 |
| 29 | Net Income (Loss)(in Millions \$) | -9.6 | 2.0 | 49.2 | 60.7 | 86.7 | -226.5 | -293.8 |
| 30 | RPMs (Sch. Svc.) (%) | -12.4 | 4.0 | -1.9 | 2.5 | 4.6 | 7.5 | 8.1 |
| 31 | ASMs (Sch. Svc.) (%) | -7.2 | 7.8 | -0.3 | 3.5 | 5.7 | 7.4 | 7.7 |
| 32 | Operating Revenues per RTM (%) | -9.0 | 6.4 | 39.0 | 45.0 | -22.5 | -24.4 | -26.9 |
| 33 | Operating Expense per RTM (%) | -6.0 | 6.9 | 34.6 | 38.5 | -25.3 | -20.2 | -19.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -12.8 | 7.6 | -1.5 | 3.9 | 4.7 | 2.4 | -0.7 |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 4,648.2 | 5,097.9 | 18,766.3 | 19,216.0 | 19,331.3 | 18,999.8 | 18,917.7 |
| 2 | Operating Expenses | 5,003.0 | 4,446.4 | 19,747.1 | 19,190.5 | 18,590.5 | 17,910.7 | 17,189.9 |
| 3 | Operating Profit (Loss) | -354.8 | 651.5 | -980.8 | 25.5 | 740.8 | 1,089.1 | 1,727.8 |
| 4 | Net Income (Loss) | -293.7 | 330.8 | -813.2 | -188.7 | 51.6 | 250.2 | 715.3 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 32.71 | 33.31 | 126.04 | 126.65 | 126.88 | 126.40 | 127.39 |
| 6 | ASMs - Scheduled Rev. Svc. | 44.68 | 44.06 | 175.60 | 174.98 | 175.40 | 175.47 | 176.43 |
| 7 | Overall RTMs (All Svc.) | 3.95 | 4.14 | 15.51 | 15.70 | 15.84 | 15.83 | 15.91 |
| 8 | Overall ATMs (All Svc.) | 7.02 | 6.96 | 27.53 | 27.47 | 27.56 | 27.48 | 27.46 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 117.8 | 123.2 | 121.0 | 122.4 | 122.1 | 120.0 | 118.9 |
| 10 | Operating Expense per RTM | 126.8 | 107.5 | 127.3 | 122.2 | 117.4 | 113.1 | 108.1 |
| 11 | Operating Profit (Loss) per RTM | -9.0 | 15.7 | -6.3 | 0.2 | 4.7 | 6.9 | 10.9 |
| 12 | Operating Expense per ATM | 71.3 | 63.9 | 71.7 | 69.9 | 67.5 | 65.2 | 62.6 |
| 13 | Passenger Revenue per RPM | 12.04 | 13.46 | 12.62 | 12.99 | 13.09 | 12.91 | 12.80 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 1.52 | 1.60 | 1.66 | 1.70 | 1.71 |
| 15 | Times Interest Earned | * | * | -2.21 | 0.18 | 2.25 | 3.31 | 5.80 |
| 16 | Current Assets to Current Liabilities | * | * | 0.52 | 0.63 | 0.73 | 0.58 | 0.58 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 19.0 | 29.3 | 44.0 | 23.4 | 25.5 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -7.6 | 12.8 | -5.2 | 0.1 | 3.8 | 5.7 | 9.1 |
| 19 | Net Income to Stockholders Equity | * | * | -14.7 | -3.3 | 0.9 | 4.4 | 12.7 |
| 20 | Corporate Return on Investment | * | * | -3.4 | 1.5 | 3.4 | 5.1 | 9.2 |
| 21 | Debt to Total Investment | * | * | 60.1 | 59.1 | 57.3 | 50.3 | 46.8 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 73.2 | 75.6 | 71.8 | 72.4 | 72.3 | 72.0 | 72.2 |
| 23 | Breakeven | 82.2 | 65.3 | 78.8 | 74.4 | 70.8 | 69.1 | 66.4 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 91,369 | 89,112 | 90,702 | 90,138 | 89,635 | 89,108 | 88,409 |
| 25 | Overall RTM's per Employee (000) | 43.2 | 46.4 | 171.0 | 174.2 | 176.7 | 177.7 | 179.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|----------|----------|----------|--------|--------|
| 26 | Operating Revenues (%) | -8.8 | 12.5 | -0.8 | 4.7 | 7.6 | 6.8 | 6.7 |
| 27 | Operating Expenses (%) | 12.5 | 8.4 | 14.9 | 13.9 | 11.9 | 9.0 | 5.5 |
| 28 | Operating Profit (Loss) (in Millions \$) | -1,006.3 | 221.1 | -2,708.6 | -1,481.1 | -617.1 | -267.4 | 300.3 |
| 29 | Net Income (Loss)(in Millions \$) | -624.5 | -332.7 | -1,528.5 | -1,236.7 | -1,152.2 | -890.0 | -490.7 |
| 30 | RPMs (Sch. Svc.) (%) | -1.8 | 6.8 | -1.1 | 1.1 | 1.2 | 0.7 | 1.1 |
| 31 | ASMs (Sch. Svc.) (%) | 1.4 | -0.9 | -0.5 | -1.1 | -0.7 | -0.6 | 0.0 |
| 32 | Operating Revenues per RTM (%) | -4.4 | 5.8 | 1.8 | 4.4 | 6.1 | 5.0 | 4.7 |
| 33 | Operating Expense per RTM (%) | 18.0 | 2.0 | 17.8 | 13.6 | 10.3 | 7.1 | 3.4 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -10.6 | 7.5 | -1.4 | 3.4 | 6.3 | 5.6 | 5.1 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/06 | 2000/06 | 2001/06 | 2001/03 | 2000/12 | 2000/09 | 2000/06 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 2,486.3 | 2,399.0 | 9,442.3 | 9,355.0 | 9,181.2 | 8,937.8 | 8,630.2 |
| 2 | Operating Expenses | 2,455.2 | 2,238.0 | 9,675.4 | 9,458.2 | 9,225.6 | 8,952.7 | 8,762.7 |
| 3 | Operating Profit (Loss) | 31.1 | 161.0 | -233.1 | -103.2 | -44.4 | -15.0 | -132.5 |
| 4 | Net Income (Loss) | -16.4 | 77.9 | -300.7 | -206.4 | -254.8 | -234.2 | -266.4 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RPMs - Scheduled Rev. Svc. | 13.47 | 12.14 | 49.90 | 48.57 | 46.83 | 45.03 | 42.83 |
| 6 | ASMs - Scheduled Rev. Svc. | 18.26 | 16.24 | 70.70 | 68.68 | 66.49 | 64.26 | 61.48 |
| 7 | Overall RTMs (All Svc.) | 1.46 | 1.31 | 5.44 | 5.29 | 5.09 | 4.89 | 4.64 |
| 8 | Overall ATMs (All Svc.) | 2.60 | 2.25 | 9.97 | 9.61 | 9.24 | 8.88 | 8.44 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 170.5 | 183.3 | 173.7 | 176.9 | 180.5 | 182.9 | 186.0 |
| 10 | Operating Expense per RTM | 168.4 | 171.0 | 177.9 | 178.9 | 181.4 | 183.2 | 188.8 |
| 11 | Operating Profit (Loss) per RTM | 2.1 | 12.3 | -4.3 | -2.0 | -0.9 | -0.3 | -2.9 |
| 12 | Operating Expense per ATM | 94.3 | 99.5 | 97.1 | 98.4 | 99.9 | 100.8 | 103.8 |
| 13 | Passenger Revenue per RPM | 14.89 | 16.25 | 15.46 | 15.82 | 16.14 | 16.23 | 16.36 |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 2.01 | 2.03 | 2.06 | 2.09 | 2.09 |
| 15 | Times Interest Earned | * | * | -0.68 | -0.17 | 0.15 | 0.18 | -0.19 |
| 16 | Current Assets to Current Liabilities | * | * | 0.90 | 0.85 | 0.91 | 0.83 | 0.81 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 47.1 | 42.6 | 52.3 | 50.3 | 43.6 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 1.3 | 6.7 | -2.5 | -1.1 | -0.5 | -0.2 | -1.5 |
| 19 | Net Income to Stockholders Equity | * | * | -17.6 | -12.1 | -14.5 | -13.2 | -14.9 |
| 20 | Corporate Return on Investment | * | * | -0.8 | 1.0 | -0.4 | -0.2 | -1.5 |
| 21 | Debt to Total Investment | * | * | 67.4 | 66.3 | 62.6 | 59.6 | 61.6 |
| <u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 73.8 | 74.7 | 70.6 | 70.7 | 70.4 | 70.1 | 69.7 |
| 23 | Breakeven | 76.7 | 72.1 | 76.3 | 75.0 | 74.2 | 74.2 | 75.7 |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 42,294 | 41,057 | 41,831 | 41,522 | 41,022 | 40,396 | 39,505 |
| 25 | Overall RTM's per Employee (000) | 34.5 | 31.9 | 130.0 | 127.3 | 124.0 | 121.0 | 117.5 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|--------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | 3.6 | 6.7 | 9.4 | 10.3 | 8.5 | 5.8 | 0.9 |
| 27 | Operating Expenses (%) | 9.7 | 13.0 | 10.4 | 11.2 | 11.7 | 11.6 | 13.0 |
| 28 | Operating Profit (Loss) (in Millions \$) | -129.9 | -106.5 | -100.6 | -77.2 | -246.7 | -439.9 | -927.8 |
| 29 | Net Income (Loss)(in Millions \$) | -94.3 | -261.4 | -34.3 | -201.4 | -528.3 | -698.9 | -935.3 |
| 30 | RPMs (Sch. Svc.) (%) | 11.0 | 11.5 | 16.5 | 16.8 | 12.9 | 9.6 | 3.5 |
| 31 | ASMs (Sch. Svc.) (%) | 12.4 | 9.7 | 15.0 | 14.4 | 12.5 | 10.3 | 6.4 |
| 32 | Operating Revenues per RTM (%) | -7.0 | -4.5 | -6.6 | -6.1 | -4.3 | -3.7 | -2.6 |
| 33 | Operating Expense per RTM (%) | -1.5 | 1.1 | -5.8 | -5.3 | -1.5 | 1.6 | 9.0 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | -8.4 | -3.8 | -5.5 | -4.3 | -2.2 | -2.6 | -3.0 |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL ALL-CARGO MAJORS 1/

QUARTERLY RESULTS

At time of publication, DHL Airways had not filed its financial data for the second quarter 2001 with the Department. Therefore, we are unable to provide a complete analysis for the total all-cargo major group's quarterly and 12 month ended June 2001 results. This publication will be updated as soon as the missing data is submitted.

| Quarter Ended | \$ Millions | | | | | |
|------------------|-------------------------|-------------------|--------------|-------------------|-------------------|--------------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | |
| | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change | LAST YEAR 2000 | THIS YEAR 2001 | \$ Change |
| March | 186.5 | 228.1 | 41.6 | 82.3 | 122.6 | 40.3 |
| June | 300.6 | 0.0 | - | 167.9 | 0.0 | - |
| Sept. | 314.0 | 0.0 | - | 162.3 | 0.0 | - |
| Dec. | 243.2 | 0.0 | - | 103.1 | 0.0 | - |

| ENTITY | \$ Millions | | | | | | TRAFFIC (Billions) | | | CAPACITY (Billions) | | | TON |
|----------|-------------------------|-------|-----------|-------------------|-------|-----------|--------------------|------|----------|---------------------|------|----------|-------|
| | OPERATING PROFIT (LOSS) | | | NET INCOME (LOSS) | | | RTMs (All Svc.) | | | ATMs (All Svc.) | | | |
| | 2000 | 2001 | \$ Change | 2000 | 2001 | \$ Change | 2000 | 2001 | Change % | 2000 | 2001 | Change % | L.F. |
| Domestic | 19.7 | 115.7 | 95.9 | 27.2 | 12.8 | -14.3 | 1.9 | 1.8 | -6.2 | 3.3 | 3.1 | -4.4 | 56.8% |
| Int'l | 166.8 | 112.4 | -54.4 | 55.1 | 109.8 | 54.7 | 1.1 | 1.2 | 5.6 | 1.8 | 1.9 | 7.6 | 63.4% |
| Atlantic | 99.7 | 40.0 | -59.7 | 48.2 | 42.3 | -5.9 | 0.4 | 0.4 | 12.3 | 0.5 | 0.6 | 11.5 | 66.5% |
| Latin | 41.1 | 74.7 | 33.6 | 34.1 | 55.6 | 21.5 | 0.1 | 0.1 | 33.5 | 0.2 | 0.2 | 26.6 | 54.8% |
| Pacific | 26.0 | -2.3 | -28.3 | -27.3 | 11.8 | 39.1 | 0.7 | 0.7 | -1.9 | 1.0 | 1.1 | 2.1 | 63.6% |
| System | 186.5 | 228.1 | 41.6 | 82.3 | 122.6 | 40.3 | 3.0 | 3.0 | -1.8 | 5.0 | 5.0 | -0.2 | 59.3% |

12-MONTH RESULTS

Unavailable (See note above)

1/ On January 1, 1997, DHL Airways became a major airline with annual operating revenues exceeding \$1 billion.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL ALL-CARGO MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 4,905.6 | 4,779.7 | 19,749.6 | 19,623.7 | 19,471.2 | 18,994.3 | 18,549.8 |
| 2 | Operating Expenses | 4,677.5 | 4,593.2 | 18,663.7 | 18,579.4 | 18,320.7 | 17,942.9 | 17,513.3 |
| 3 | Operating Profit (Loss) | 228.1 | 186.5 | 1,085.9 | 1,044.3 | 1,150.5 | 1,051.4 | 1,036.5 |
| 4 | Net Income (Loss) | 122.6 | 82.3 | 556.0 | 515.7 | 640.3 | 564.8 | 538.7 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 2.28 | 2.23 | 9.41 | 9.37 | 9.23 | 9.03 | 8.83 |
| 6 | ATMs - Scheduled Rev. Svc. | 3.77 | 3.59 | 14.99 | 14.81 | 14.60 | 14.47 | 14.35 |
| 7 | Overall RTMs (All Services) | 2.98 | 3.04 | 12.63 | 12.68 | 12.63 | 12.37 | 12.08 |
| 8 | Overall ATMs (All Services) | 5.03 | 5.04 | 20.41 | 20.42 | 20.42 | 20.37 | 20.21 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 164.5 | 157.4 | 156.4 | 154.7 | 154.2 | 153.6 | 153.6 |
| 10 | Operating Expense per RTM | 156.8 | 151.3 | 147.8 | 146.5 | 145.1 | 145.1 | 145.0 |
| 11 | Operating Profit (Loss) per RTM | 7.6 | 6.1 | 8.6 | 8.2 | 9.1 | 8.5 | 8.6 |
| 12 | Operating Expense per ATM | 93.0 | 91.2 | 91.4 | 91.0 | 89.7 | 88.1 | 86.7 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 2.11 | 2.09 | 2.07 | 2.02 | 1.96 |
| 15 | Times Interest Earned | * | * | 8.99 | 7.92 | 9.12 | 8.59 | 8.11 |
| 16 | Current Assets to Current Liabilities | * | * | 1.29 | 1.26 | 1.18 | 1.15 | 1.21 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.0 | 2.3 | 2.0 | 1.9 | 2.0 |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 4.6 | 3.9 | 5.5 | 5.3 | 5.9 | 5.5 | 5.6 |
| 19 | Net Income to Stockholders Equity | * | * | 11.2 | 10.1 | 12.5 | 11.1 | 10.6 |
| 20 | Corporate Return on Investment | * | * | 7.2 | 6.8 | 8.1 | 7.3 | 7.0 |
| 21 | Debt to Total Investment | * | * | 51.4 | 46.6 | 45.7 | 46.2 | 44.0 |
| <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 59.3 | 60.3 | 61.9 | 62.1 | 61.8 | 60.7 | 59.8 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 108,099 | 107,227 | 106,922 | 106,705 | 106,557 | 106,526 | 105,806 |
| 25 | Overall RTM's per Employee (000) | 27.6 | 28.3 | 118.1 | 118.9 | 118.5 | 116.1 | 114.1 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | 2.6 | 12.2 | 6.5 | 8.8 | 10.4 | 9.0 | 7.7 |
| 27 | Operating Expenses (%) | 1.8 | 13.5 | 6.6 | 9.5 | 10.6 | 10.0 | 8.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | 41.6 | -27.1 | 49.4 | -19.3 | 88.6 | -63.8 | -68.0 |
| 29 | Net Income (Loss)(in Millions \$) | 40.3 | 8.3 | 17.3 | -14.7 | 228.3 | 105.7 | 98.1 |
| 30 | RTMs (All Svc.) (%) | -1.8 | 15.0 | 4.6 | 8.6 | 11.4 | 10.3 | 8.9 |
| 31 | ATMs (All Svc.) (%) | -0.2 | 9.2 | 1.0 | 3.2 | 4.7 | 5.4 | 5.8 |
| 32 | Operating Revenues per RTM (%) | 4.5 | -2.5 | 1.8 | 0.2 | -0.8 | -1.2 | -1.1 |
| 33 | Operating Expense per RTM (%) | 3.6 | -1.3 | 1.9 | 0.8 | -0.7 | -0.4 | -0.3 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL ALL-CARGO MAJORS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,521.4 | 3,450.4 | 14,265.7 | 14,194.7 | 14,140.0 | 13,895.4 | 13,686.4 |
| 2 | Operating Expenses | 3,405.8 | 3,430.7 | 13,658.7 | 13,683.6 | 13,588.9 | 13,456.5 | 13,231.3 |
| 3 | Operating Profit (Loss) | 115.7 | 19.7 | 607.1 | 511.2 | 551.2 | 438.9 | 455.1 |
| 4 | Net Income (Loss) | 12.8 | 27.2 | 193.5 | 207.8 | 278.1 | 353.5 | 396.3 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 1.12 | 1.15 | 4.69 | 4.72 | 4.71 | 4.65 | 4.57 |
| 6 | ATMs - Scheduled Rev. Svc. | 1.97 | 1.94 | 7.86 | 7.83 | 7.80 | 7.75 | 7.71 |
| 7 | Overall RTMs (All Services) | 1.78 | 1.90 | 7.63 | 7.74 | 7.83 | 7.77 | 7.65 |
| 8 | Overall ATMs (All Services) | 3.13 | 3.28 | 12.80 | 12.95 | 13.14 | 13.26 | 13.26 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 197.7 | 181.7 | 187.1 | 183.3 | 180.7 | 178.8 | 178.9 |
| 10 | Operating Expense per RTM | 191.2 | 180.7 | 179.1 | 176.7 | 173.6 | 173.2 | 173.0 |
| 11 | Operating Profit (Loss) per RTM | 6.5 | 1.0 | 8.0 | 6.6 | 7.0 | 5.6 | 5.9 |
| 12 | Operating Expense per ATM | 108.7 | 104.7 | 106.7 | 105.7 | 103.4 | 101.4 | 99.8 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 3.3 | 0.6 | 4.3 | 3.6 | 3.9 | 3.2 | 3.3 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 4.0 | 4.3 | 5.3 | 6.2 | 6.8 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 56.8 | 57.9 | 59.6 | 59.8 | 59.6 | 58.6 | 57.7 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|--------|--------|
| 26 | Operating Revenues (%) | 2.1 | 7.5 | 4.2 | 5.6 | 5.9 | 4.7 | 4.1 |
| 27 | Operating Expenses (%) | -0.7 | 10.4 | 3.2 | 6.0 | 7.0 | 7.6 | 7.1 |
| 28 | Operating Profit (Loss) (in Millions \$) | 96.0 | -83.7 | 152.0 | -27.5 | -105.5 | -321.2 | -336.7 |
| 29 | Net Income (Loss)(in Millions \$) | -14.4 | 23.9 | -202.8 | -164.6 | -74.0 | 96.6 | 217.7 |
| 30 | RTMs (All Svc.) (%) | -6.2 | 9.6 | -0.3 | 3.5 | 6.9 | 7.3 | 6.5 |
| 31 | ATMs (All Svc.) (%) | -4.4 | 5.3 | -3.5 | -1.2 | 1.4 | 3.2 | 4.4 |
| 32 | Operating Revenues per RTM (%) | 8.8 | -2.0 | 4.6 | 2.0 | -1.0 | -2.4 | -2.2 |
| 33 | Operating Expense per RTM (%) | 5.8 | 0.7 | 3.5 | 2.4 | 0.1 | 0.3 | 0.6 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL ALL-CARGO MAJORS**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|---|--|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | | |
| 1 | Operating Revenues | 1,384.1 | 1,329.3 | 5,483.8 | 5,429.0 | 5,331.2 | 5,098.9 | 4,863.3 |
| 2 | Operating Expenses | 1,271.7 | 1,162.5 | 5,005.0 | 4,895.8 | 4,731.8 | 4,486.3 | 4,281.9 |
| 3 | Operating Profit (Loss) | 112.4 | 166.8 | 478.8 | 533.2 | 599.4 | 612.5 | 581.4 |
| 4 | Net Income (Loss) | 109.8 | 55.1 | 362.5 | 307.8 | 362.3 | 211.2 | 142.4 |
| <u>TRAFFIC: (Billions)</u> | | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 1.16 | 1.08 | 4.72 | 4.65 | 4.52 | 4.38 | 4.26 |
| 6 | ATMs - Scheduled Rev. Svc. | 1.81 | 1.66 | 7.13 | 6.98 | 6.80 | 6.73 | 6.64 |
| 7 | Overall RTMs (All Services) | 1.20 | 1.14 | 5.00 | 4.94 | 4.80 | 4.60 | 4.43 |
| 8 | Overall ATMs (All Services) | 1.89 | 1.76 | 7.61 | 7.48 | 7.28 | 7.11 | 6.94 |
| <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | | |
| 9 | Operating Revenue per RTM | 115.3 | 116.8 | 109.6 | 109.9 | 111.0 | 111.0 | 109.9 |
| 10 | Operating Expense per RTM | 105.9 | 102.2 | 100.0 | 99.1 | 98.6 | 97.6 | 96.7 |
| 11 | Operating Profit (Loss) per RTM | 9.4 | 14.7 | 9.6 | 10.8 | 12.5 | 13.3 | 13.1 |
| 12 | Operating Expense per ATM | 67.1 | 66.0 | 65.8 | 65.5 | 65.0 | 63.1 | 61.7 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| <u>FINANCIAL RATIOS:</u> | | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | ** | ** | ** | ** | ** |
| 15 | Times Interest Earned | * | * | ** | ** | ** | ** | ** |
| 16 | Current Assets to Current Liabilities | * | * | ** | ** | ** | ** | ** |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | ** | ** | ** | ** | ** |
| <u>FINANCIAL PERCENTAGES:</u> | | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 8.1 | 12.5 | 8.7 | 9.8 | 11.2 | 12.0 | 12.0 |
| 19 | Net Income to Stockholders Equity | * | * | ** | ** | ** | ** | ** |
| 20 | Corporate Return on Investment | * | * | 15.6 | 13.8 | 16.4 | 10.6 | 7.9 |
| 21 | Debt to Total Investment | * | * | ** | ** | ** | ** | ** |
| <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | | |
| 22 | Actual | 63.4 | 64.6 | 65.8 | 66.1 | 66.0 | 64.7 | 63.7 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| <u>Employment & Productivity:</u> | | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | * | * | ** | ** | ** | ** | ** |
| 25 | Overall RTM's per Employee (000) | * | * | ** | ** | ** | ** | ** |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|-------|-------|-------|--------|
| 26 | Operating Revenues (%) | 4.1 | 26.5 | 12.8 | 18.4 | 24.8 | 22.5 | 19.3 |
| 27 | Operating Expenses (%) | 9.4 | 23.6 | 16.9 | 20.6 | 22.3 | 17.8 | 13.7 |
| 28 | Operating Profit (Loss) (in Millions \$) | -54.4 | 56.6 | -102.6 | 8.3 | 194.1 | 257.4 | 268.7 |
| 29 | Net Income (Loss)(in Millions \$) | 54.7 | -15.6 | 220.1 | 149.8 | 302.4 | 9.0 | -119.6 |
| 30 | RTMs (All Svc.) (%) | 5.5 | 25.3 | 13.1 | 17.8 | 19.4 | 16.0 | 13.5 |
| 31 | ATMs (All Svc.) (%) | 7.6 | 17.2 | 9.6 | 11.8 | 11.1 | 9.8 | 8.6 |
| 32 | Operating Revenues per RTM (%) | -1.3 | 0.9 | -0.3 | 0.5 | 4.4 | 5.6 | 5.2 |
| 33 | Operating Expense per RTM (%) | 3.6 | -1.4 | 3.4 | 2.4 | 2.5 | 1.6 | 0.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 370.5 | 370.5 | 1,497.2 | 1,497.3 | 1,479.5 | 1,453.8 | 1,420.9 |
| 2 | Operating Expenses | 415.3 | 385.4 | 1,597.9 | 1,568.0 | 1,505.2 | 1,456.1 | 1,402.9 |
| 3 | Operating Profit (Loss) | -44.8 | -15.0 | -100.6 | -70.8 | -25.7 | -2.3 | 18.0 |
| 4 | Net Income (Loss) | -49.9 | -10.1 | -106.8 | -67.0 | -19.6 | 9.8 | 20.9 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 0.11 | 0.11 | 0.45 | 0.45 | 0.44 | 0.43 | 0.42 |
| 6 | ATMs - Scheduled Rev. Svc. | 0.22 | 0.20 | 0.87 | 0.85 | 0.83 | 0.79 | 0.76 |
| 7 | Overall RTMs (All Services) | 0.12 | 0.11 | 0.50 | 0.49 | 0.48 | 0.46 | 0.46 |
| 8 | Overall ATMs (All Services) | 0.23 | 0.21 | 0.92 | 0.90 | 0.87 | 0.81 | 0.78 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 314.2 | 328.3 | 301.7 | 304.8 | 307.2 | 313.8 | 311.7 |
| 10 | Operating Expense per RTM | 352.2 | 341.5 | 321.9 | 319.2 | 312.5 | 314.3 | 307.7 |
| 11 | Operating Profit (Loss) per RTM | -38.0 | -13.3 | -20.3 | -14.4 | -5.3 | -0.5 | 3.9 |
| 12 | Operating Expense per ATM | 182.3 | 186.8 | 173.9 | 174.7 | 172.6 | 179.7 | 180.5 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 28.49 | 10.95 | 8.34 | 7.00 | 7.46 |
| 15 | Times Interest Earned | * | * | -5.94 | -5.16 | -1.57 | 1.97 | 2.99 |
| 16 | Current Assets to Current Liabilities | * | * | 1.20 | 0.00 | 0.00 | 1.03 | 1.04 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 0.2 | 0.0 | 0.0 | 0.3 | 0.6 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | -12.1 | -4.0 | -6.7 | -4.7 | -1.7 | -0.2 | 1.3 |
| 19 | Net Income to Stockholders Equity | * | * | 172.3 | -83.4 | -18.3 | 7.3 | 15.5 |
| 20 | Corporate Return on Investment | * | * | -165.4 | -36.6 | -3.4 | 11.4 | 19.3 |
| 21 | Debt to Total Investment | * | * | -190.6 | 0.0 | 0.0 | 46.5 | 40.8 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 51.8 | 54.7 | 54.0 | 54.7 | 55.2 | 57.2 | 58.7 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 9,078 | 8,354 | 8,814 | 8,633 | 8,472 | 8,347 | 8,257 |
| 25 | Overall RTM's per Employee (000) | 13.0 | 13.5 | 56.3 | 56.9 | 56.8 | 55.5 | 55.2 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|-------|--------|--------|--------|-------|-------|
| 26 | Operating Revenues (%) | 0.0 | 16.0 | 5.4 | 9.3 | 6.9 | 6.3 | 4.9 |
| 27 | Operating Expenses (%) | 7.7 | 22.2 | 13.9 | 17.6 | 15.2 | 13.9 | 10.5 |
| 28 | Operating Profit (Loss) (in Millions \$) | -29.8 | -18.9 | -118.6 | -107.6 | -103.7 | -91.1 | -67.4 |
| 29 | Net Income (Loss)(in Millions \$) | -39.8 | -10.9 | -127.7 | -98.8 | -30.8 | 6.8 | 32.7 |
| 30 | RTMs (Sch. Svc.) (%) | 4.5 | 7.4 | 8.9 | 9.6 | 9.7 | 9.0 | 11.0 |
| 31 | ATMs (Sch. Svc.) (%) | 10.4 | 14.7 | 18.3 | 19.5 | 18.9 | 12.6 | 10.6 |
| 32 | Operating Revenues per RTM (%) | -4.3 | 8.0 | -3.2 | -0.3 | -2.5 | -2.5 | -5.5 |
| 33 | Operating Expense per RTM (%) | 3.1 | 13.8 | 4.6 | 7.3 | 5.1 | 4.5 | -0.4 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|----------|----------|----------|----------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 3,835.0 | 3,825.3 | 15,606.2 | 15,596.5 | 15,473.9 | 15,196.8 | 14,876.4 |
| 2 | Operating Expenses | 3,609.2 | 3,624.0 | 14,582.4 | 14,597.2 | 14,478.4 | 14,249.3 | 13,965.4 |
| 3 | Operating Profit (Loss) | 225.7 | 201.3 | 1,023.7 | 999.4 | 995.5 | 947.5 | 911.0 |
| 4 | Net Income (Loss) | 151.5 | 101.7 | 595.3 | 545.4 | 548.9 | 496.3 | 459.9 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 1.78 | 1.80 | 7.42 | 7.44 | 7.39 | 7.29 | 7.16 |
| 6 | ATMs - Scheduled Rev. Svc. | 2.98 | 2.88 | 11.93 | 11.83 | 11.68 | 11.57 | 11.49 |
| 7 | Overall RTMs (All Services) | 1.83 | 1.87 | 7.79 | 7.83 | 7.77 | 7.59 | 7.38 |
| 8 | Overall ATMs (All Services) | 3.09 | 3.01 | 12.54 | 12.46 | 12.30 | 12.07 | 11.87 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 209.6 | 204.1 | 200.3 | 199.1 | 199.1 | 200.3 | 201.6 |
| 10 | Operating Expense per RTM | 197.3 | 193.4 | 187.2 | 186.3 | 186.3 | 187.9 | 189.2 |
| 11 | Operating Profit (Loss) per RTM | 12.3 | 10.7 | 13.1 | 12.8 | 12.8 | 12.5 | 12.3 |
| 12 | Operating Expense per ATM | 116.9 | 120.4 | 116.3 | 117.1 | 117.7 | 118.1 | 117.7 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 3.05 | 3.04 | 3.01 | 2.96 | 2.87 |
| 15 | Times Interest Earned | * | * | 14.88 | 12.20 | 11.88 | 11.51 | 10.72 |
| 16 | Current Assets to Current Liabilities | * | * | 1.18 | 1.16 | 1.19 | 1.11 | 1.18 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.3 | 2.4 | 2.1 | 2.0 | 2.1 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 5.9 | 5.3 | 6.6 | 6.4 | 6.4 | 6.2 | 6.1 |
| 19 | Net Income to Stockholders Equity | * | * | 14.7 | 13.5 | 13.6 | 12.4 | 11.5 |
| 20 | Corporate Return on Investment | * | * | 13.0 | 12.2 | 12.3 | 11.3 | 10.5 |
| 21 | Debt to Total Investment | * | * | 20.0 | 20.6 | 21.1 | 22.0 | 19.9 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 59.3 | 62.3 | 62.1 | 62.9 | 63.2 | 62.8 | 62.2 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 93,667 | 94,012 | 92,975 | 93,062 | 93,172 | 93,334 | 92,753 |
| 25 | Overall RTM's per Employee (000) | 19.5 | 19.9 | 83.8 | 84.2 | 83.4 | 81.3 | 79.6 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|-------|-------|-------|-------|-------|
| 26 | Operating Revenues (%) | 0.3 | 10.6 | 4.9 | 7.5 | 8.7 | 8.2 | 7.4 |
| 27 | Operating Expenses (%) | -0.4 | 11.3 | 4.4 | 7.3 | 9.0 | 8.9 | 8.2 |
| 28 | Operating Profit (Loss) (in Millions \$) | 24.4 | 1.1 | 112.7 | 89.5 | 46.2 | -21.4 | -37.7 |
| 29 | Net Income (Loss)(in Millions \$) | 49.8 | 27.5 | 135.4 | 113.0 | 126.9 | 36.0 | 17.4 |
| 30 | RTMs (Sch. Svc.) (%) | -2.4 | 18.2 | 5.5 | 10.5 | 13.2 | 11.2 | 8.7 |
| 31 | ATMs (Sch. Svc.) (%) | 2.6 | 13.3 | 5.7 | 8.2 | 9.0 | 7.7 | 6.9 |
| 32 | Operating Revenues per RTM (%) | 2.7 | -6.4 | -0.7 | -2.7 | -3.9 | -2.7 | -1.2 |
| 33 | Operating Expense per RTM (%) | 2.0 | -5.9 | -1.1 | -2.8 | -3.7 | -2.0 | -0.5 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

**QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE**

| ITEMS | | QUARTER ENDED | | 12 MONTHS ENDED | | | | |
|-------|---|---------------|---------|-----------------|---------|---------|---------|---------|
| | | 2001/03 | 2000/03 | 2001/03 | 2000/12 | 2000/09 | 2000/06 | 2000/03 |
| | <u>FINANCIAL RESULTS: (\$Millions)</u> | | | | | | | |
| 1 | Operating Revenues | 700.1 | 583.9 | 2,646.2 | 2,530.0 | 2,517.8 | 2,343.7 | 2,252.5 |
| 2 | Operating Expenses | 653.0 | 583.8 | 2,483.4 | 2,414.2 | 2,337.1 | 2,237.5 | 2,145.0 |
| 3 | Operating Profit (Loss) | 47.1 | 0.1 | 162.8 | 115.7 | 180.7 | 106.2 | 107.5 |
| 4 | Net Income (Loss) | 21.0 | -9.3 | 67.5 | 37.2 | 111.0 | 58.6 | 57.9 |
| | <u>TRAFFIC: (Billions)</u> | | | | | | | |
| 5 | RTMs - Scheduled Rev. Svc. | 0.39 | 0.32 | 1.55 | 1.48 | 1.40 | 1.31 | 1.24 |
| 6 | ATMs - Scheduled Rev. Svc. | 0.57 | 0.51 | 2.19 | 2.13 | 2.08 | 2.11 | 2.11 |
| 7 | Overall RTMs (All Services) | 1.03 | 1.05 | 4.34 | 4.36 | 4.37 | 4.32 | 4.24 |
| 8 | Overall ATMs (All Services) | 1.71 | 1.82 | 6.95 | 7.06 | 7.25 | 7.49 | 7.56 |
| | <u>YIELD & UNIT COST & PROFITS: (Cents)</u> | | | | | | | |
| 9 | Operating Revenue per RTM | 67.7 | 55.6 | 60.9 | 58.1 | 57.6 | 54.3 | 53.1 |
| 10 | Operating Expense per RTM | 63.1 | 55.6 | 57.2 | 55.4 | 53.5 | 51.8 | 50.6 |
| 11 | Operating Profit (Loss) per RTM | 4.6 | 0.0 | 3.7 | 2.7 | 4.1 | 2.5 | 2.5 |
| 12 | Operating Expense per ATM | 38.1 | 32.1 | 35.7 | 34.2 | 32.2 | 29.9 | 28.4 |
| 13 | Passenger Revenue per RPM | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>FINANCIAL RATIOS:</u> | | | | | | | |
| 14 | Operating Revenues to Total Investment | * | * | 0.63 | 0.61 | 0.62 | 0.57 | 0.55 |
| 15 | Times Interest Earned | * | * | 5.13 | 3.46 | 5.98 | 3.18 | 3.17 |
| 16 | Current Assets to Current Liabilities | * | * | 2.90 | 2.28 | 1.11 | 2.64 | 2.22 |
| 17 | No. of Days Cash Coverage of Cash Exp. | * | * | 3.1 | 3.7 | 2.6 | 3.0 | 2.9 |
| | <u>FINANCIAL PERCENTAGES:</u> | | | | | | | |
| 18 | Operating Profit (Loss) to Operating Revenue | 6.7 | 0.0 | 6.2 | 4.6 | 7.2 | 4.5 | 4.8 |
| 19 | Net Income to Stockholders Equity | * | * | 6.9 | 3.8 | 11.3 | 6.1 | 6.1 |
| 20 | Corporate Return on Investment | * | * | 2.3 | 1.5 | 3.4 | 2.1 | 2.1 |
| 21 | Debt to Total Investment | * | * | 78.3 | 77.6 | 75.7 | 75.3 | 75.6 |
| | <u>TON LOAD FACTOR: (Sch. Svc. %)</u> | | | | | | | |
| 22 | Actual | 60.4 | 57.6 | 62.5 | 61.7 | 60.3 | 57.6 | 56.1 |
| 23 | Breakeven | ++ | ++ | ++ | ++ | ++ | ++ | ++ |
| | <u>Employment & Productivity:</u> | | | | | | | |
| 24 | Employment, Total Weighted Avg CY | 5,354 | 4,861 | 5,133 | 5,010 | 4,913 | 4,845 | 4,796 |
| 25 | Overall RTM's per Employee (000) | 193.3 | 215.9 | 846.2 | 869.9 | 889.9 | 891.1 | 883.9 |

| | | CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER | | | | | | |
|----|--|---|------|------|-------|-------|------|------|
| 26 | Operating Revenues (%) | 19.9 | 20.6 | 17.5 | 17.5 | 24.9 | 16.4 | 11.8 |
| 27 | Operating Expenses (%) | 11.9 | 23.0 | 15.8 | 18.6 | 18.0 | 14.4 | 10.4 |
| 28 | Operating Profit (Loss) (in Millions \$) | 47.0 | -9.4 | 55.3 | -1.2 | 146.1 | 48.6 | 37.1 |
| 29 | Net Income (Loss)(in Millions \$) | 30.3 | -8.3 | 9.6 | -29.1 | 132.2 | 62.8 | 48.0 |
| 30 | RTMs (Sch. Svc.) (%) | -1.4 | 10.5 | 2.5 | 5.3 | 8.5 | 9.1 | 9.1 |
| 31 | ATMs (Sch. Svc.) (%) | -6.0 | 2.3 | -8.1 | -6.1 | -3.3 | 1.3 | 3.6 |
| 32 | Operating Revenues per RTM (%) | 21.8 | 9.0 | 14.7 | 11.7 | 15.2 | 6.7 | 2.5 |
| 33 | Operating Expense per RTM (%) | 13.5 | 11.2 | 13.0 | 12.6 | 9.0 | 4.9 | 1.2 |
| 34 | Passenger Revenue per RPM (Sch. Svc.)(%) | ++ | ++ | ++ | ++ | ++ | ++ | ++ |

**COMPARISON OF OPERATING PROFIT (LOSS) AND NET INCOME (LOSS)
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2001**

| Operating Profit (Loss) (\$Millions) | | | | | | |
|---|-----------------------|---------------|--------------|----------------------------|---------------|--------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 6/2000 | 6/2001 | \$Chg | 6/2000 | 6/2001 | \$Chg |
| System Passenger Majors | 2,803.9 | (724.4) | (3,528.3) | 5,938.3 | 396.6 | (5,541.7) |
| US Airways | 161.0 | 31.1 | (129.9) | (132.5) | (233.1) | (100.6) |
| Alaska | 8.6 | 11.5 | 2.9 | 91.0 | (26.2) | (117.2) |
| American Trans Air | 23.2 | 18.3 | (4.9) | 58.7 | 9.4 | (49.3) |
| America West | 49.3 | (55.8) | (105.1) | 136.1 | (155.0) | (291.1) |
| Southwest | 314.6 | 291.0 | (23.6) | 831.0 | 1,051.3 | 220.3 |
| American Eagle | 27.3 | (81.3) | (108.6) | 66.2 | (52.0) | (118.2) |
| American | 469.9 | (681.5) | (1,151.4) | 1,281.1 | (89.4) | (1,370.5) |
| Continental | 230.0 | 104.9 | (125.1) | 371.0 | 529.3 | 158.3 |
| Delta | 577.4 | 23.9 | (553.5) | 1,146.0 | 505.2 | (640.8) |
| Northwest | 275.9 | (19.7) | (295.6) | 773.8 | 119.9 | (653.9) |
| Trans World | 15.3 | (12.0) | (27.3) | (412.1) | (282.1) | 130.0 |
| United | 651.5 | (354.8) | (1,006.3) | 1,727.8 | (980.8) | (2,708.6) |
| System Cargo Majors | 300.6 | 1/ | 1/ | 1,051.4 | 1/ | 1/ |
| DHL Airways | (10.9) | 1/ | 1/ | (2.3) | 1/ | 1/ |
| Federal Express | 297.7 | 59.0 | (238.7) | 947.5 | 785.0 | (162.5) |
| United Parcel Service | 13.8 | (0.9) | (14.7) | 106.2 | 148.0 | 41.8 |
| System Total Majors | 3,104.5 | 1/ | 1/ | 6,989.6 | 1/ | 1/ |

| Net Income (Loss) (\$Millions) | | | | | | |
|---------------------------------------|-----------------------|---------------|--------------|----------------------------|---------------|--------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 6/2000 | 6/2001 | \$Chg | 6/2000 | 6/2001 | \$Chg |
| System Passenger Majors | 1,656.4 | (729.2) | (2,385.6) | 3,578.7 | (1,238.9) | (4,817.6) |
| US Airways | 77.9 | (16.4) | (94.3) | (266.4) | (300.7) | (34.3) |
| Alaska | (0.8) | 4.8 | 5.6 | 56.7 | (22.0) | (78.7) |
| American Trans Air | 10.8 | 6.9 | (3.9) | 22.6 | (15.5) | (38.1) |
| America West | 28.3 | (43.3) | (71.6) | 94.0 | (100.7) | (194.7) |
| Southwest | 190.6 | 175.6 | (15.0) | 484.9 | 635.6 | 150.7 |
| American Eagle | 4.7 | (65.6) | (70.3) | 4.4 | (93.5) | (97.9) |
| American | 323.6 | (437.1) | (760.7) | 806.9 | (142.5) | (949.4) |
| Continental | 133.4 | 37.5 | (95.9) | 381.3 | 213.7 | (167.6) |
| Delta | 434.5 | (26.8) | (461.3) | 1,371.7 | (144.7) | (1,516.4) |
| Northwest | 126.8 | (57.4) | (184.2) | 313.3 | (98.4) | (411.7) |
| Trans World | (4.2) | (13.8) | (9.6) | (406.0) | (356.8) | 49.2 |
| United | 330.8 | (293.7) | (624.5) | 715.3 | (813.2) | (1,528.5) |
| System Cargo Majors | 167.9 | 1/ | 1/ | 564.8 | 1/ | 1/ |
| DHL Airways | (7.7) | 1/ | 1/ | 9.8 | 1/ | 1/ |
| Federal Express | 176.3 | 32.6 | (143.7) | 496.3 | 451.6 | (44.7) |
| United Parcel Service | (0.8) | (23.4) | (22.6) | 58.6 | 44.9 | (13.7) |
| System Total Majors | 1,824.3 | 1/ | 1/ | 4,143.5 | 1/ | 1/ |

1/ Data unavailable as DHL Airways has not yet filed its second quarter 2001 financial data with the Department.

**COMPARISON OF PASSENGER LOAD FACTOR AND PASSENGER YIELD
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2001**

| Passenger Load Factor (Percent) | | | | | | |
|--|-----------------------|---------------|----------------|----------------------------|---------------|----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 6/2000 | 6/2001 | Pt.Chg. | 6/2000 | 6/2001 | Pt.Chg. |
| System Passenger Majors | 76.4 | 73.5 | (2.9) | 72.2 | 72.1 | (0.1) |
| Alaska | 72.4 | 70.3 | (2.1) | 68.8 | 68.5 | (0.3) |
| America West | 73.7 | 75.5 | 1.8 | 70.3 | 71.6 | 1.3 |
| American | 75.9 | 71.9 | (4.0) | 70.7 | 71.5 | 0.8 |
| American Eagle | 64.2 | 62.1 | (2.1) | 61.6 | 59.3 | (2.3) |
| American Trans Air | 81.6 | 80.3 | (1.3) | 77.9 | 76.1 | (1.8) |
| Continental | 77.8 | 75.5 | (2.3) | 74.3 | 74.0 | (0.3) |
| Delta | 77.9 | 72.8 | (5.1) | 72.9 | 71.6 | (1.3) |
| Northwest | 79.7 | 77.9 | (1.8) | 75.8 | 76.2 | 0.4 |
| Southwest | 74.3 | 71.7 | (2.6) | 69.8 | 69.9 | 0.1 |
| Trans World | 75.2 | 71.0 | (4.2) | 71.9 | 70.7 | (1.2) |
| United | 75.6 | 73.2 | (2.4) | 72.2 | 71.8 | (0.4) |
| US Airways | 74.7 | 73.8 | (0.9) | 69.7 | 70.6 | 0.9 |
| System Cargo Majors | - | - | - | - | - | - |
| DHL | - | - | - | - | - | - |
| Federal Express | - | - | - | - | - | - |
| UPS | - | - | - | - | - | - |
| System Total Majors | 76.4 | 73.5 | (2.9) | 72.2 | 72.1 | (0.1) |

| Scheduled Passenger Yield (Cents) | | | | | | |
|--|-----------------------|---------------|-----------------|----------------------------|---------------|-----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 6/2000 | 6/2001 | Pct.Chg. | 6/2000 | 6/2001 | Pct.Chg. |
| System Passenger Majors | 13.41 | 12.60 | (6.0) | 12.98 | 13.15 | 1.3 |
| Alaska | 13.13 | 12.86 | (2.1) | 12.75 | 13.21 | 3.6 |
| America West | 11.44 | 10.49 | (8.3) | 11.39 | 11.01 | (3.3) |
| American | 13.75 | 13.46 | (2.1) | 13.52 | 14.19 | 5.0 |
| American Eagle | 37.41 | 39.39 | 5.3 | 37.05 | 39.43 | 6.4 |
| American Trans Air | 10.02 | 9.99 | (0.3) | 9.55 | 9.95 | 4.2 |
| Continental | 13.24 | 12.77 | (3.6) | 12.49 | 13.18 | 5.5 |
| Delta | 13.46 | 12.38 | (8.0) | 12.80 | 12.88 | 0.6 |
| Northwest | 11.92 | 11.16 | (6.4) | 11.81 | 11.85 | 0.3 |
| Southwest | 12.77 | 12.58 | (1.5) | 12.45 | 12.78 | 2.7 |
| Trans World | 12.15 | 10.59 | (12.8) | 11.68 | 11.51 | (1.5) |
| United | 13.46 | 12.04 | (10.6) | 12.80 | 12.62 | (1.4) |
| US Airways | 16.25 | 14.89 | (8.4) | 16.36 | 15.46 | (5.5) |
| System Cargo Majors | - | - | - | - | - | - |
| DHL | - | - | - | - | - | - |
| Federal Express | - | - | - | - | - | - |
| UPS | - | - | - | - | - | - |
| System Total Majors | 13.41 | 12.60 | (6.0) | 12.98 | 13.15 | 1.3 |

1/ Data unavailable as DHL Airways has not yet filed its second quarter 2001 financial data with the Department.

**COMPARISON OF OPERATING PROFIT MARGIN, DEBT TO INVESTMENT AND TOTAL DEBT
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED JUNE 2001**

| Operating Profit Margin (Percent) | | | | | | |
|--|-----------------------|---------------|----------------|----------------------------|---------------|-----------------|
| Group/Carrier | Quarterly Data | | | 12 Month Ended Data | | |
| | 6/2000 | 6/2001 | Pt. Chg | 6/2000 | 6/2001 | Pt. Chg. |
| System Passenger Majors | 11.0 | (3.0) | (14.0) | 6.3 | 0.4 | (5.9) |
| Alaska | 1.9 | 2.4 | 0.5 | 5.3 | (1.4) | (6.7) |
| America West | 8.1 | (9.7) | (17.8) | 6.0 | (6.7) | (12.7) |
| American | 10.2 | (15.5) | (25.7) | 7.4 | (0.5) | (7.9) |
| American Eagle | 8.7 | (21.9) | (30.6) | 5.8 | (3.9) | (9.7) |
| American Trans Air | 7.5 | 5.6 | (1.9) | 5.4 | 0.8 | (4.6) |
| Continental | 9.4 | 4.5 | (4.9) | 4.2 | 5.6 | 1.4 |
| Delta | 14.5 | 0.6 | (13.9) | 7.6 | 3.4 | (4.2) |
| Northwest | 9.8 | (0.7) | (10.5) | 7.4 | 1.1 | (6.3) |
| Southwest | 21.5 | 18.7 | (2.8) | 16.2 | 17.7 | 1.5 |
| Trans World | 1.6 | (1.6) | (3.2) | (12.0) | (8.4) | 3.6 |
| United | 12.8 | (7.6) | (20.4) | 9.1 | (5.2) | (14.3) |
| US Airways | 6.7 | 1.3 | (5.4) | (1.5) | (2.5) | (1.0) |
| System Cargo Majors | 6.2 | 1/ | 1/ | 5.5 | 1/ | 1/ |
| DHL | (2.9) | 1/ | 1/ | (0.2) | 1/ | 1/ |
| Federal Express | 7.6 | 1.6 | (6.0) | 6.2 | 5.1 | (1.1) |
| UPS | 2.3 | (0.1) | (2.4) | 4.5 | 5.5 | 1.0 |
| System Total Majors | 10.2 | 1/ | 1/ | 6.2 | 1/ | 1/ |

| Group/Carrier | Debt To Investment (Percent) | | | Total Debt (\$Millions) | | |
|-------------------------|-------------------------------------|---------------|----------------|--------------------------------|---------------|----------------|
| | Quarterly Data | | | Quarterly Data | | |
| | 6/2000 | 6/2001 | Pt.Chg. | 6/2000 | 6/2001 | \$ Chg. |
| System Passenger Majors | 48.1 | 54.2 | 6.1 | 29,156.7 | 35,330.2 | 6,173.5 |
| Alaska | 38.9 | 50.3 | 11.4 | 389.0 | 694.5 | 305.5 |
| America West | 20.2 | 19.2 | -1.0 | 234.2 | 196.5 | (37.7) |
| American | 33.8 | 46.9 | 13.1 | 3,878.7 | 5,333.6 | 1,454.9 |
| American Eagle | 89.4 | 93.2 | 3.8 | 2,216.2 | 2,520.2 | 304.0 |
| American Trans Air | 76.2 | 84.1 | 7.9 | 358.3 | 503.0 | 144.7 |
| Continental | 66.5 | 74.2 | 7.7 | 3,354.4 | 4,129.1 | 774.7 |
| Delta | 52.6 | 51.9 | -0.7 | 5,522.3 | 5,704.5 | 182.2 |
| Northwest | 42.6 | 44.4 | 1.8 | 3,650.2 | 3,852.5 | 202.3 |
| Southwest | 22.5 | 18.4 | -4.1 | 872.0 | 863.1 | (8.9) |
| Trans World | 150.9 | 102.7 | -48.2 | 742.6 | 515.8 | (226.8) |
| United | 46.8 | 60.1 | 13.3 | 5,239.9 | 7,707.9 | 2,468.0 |
| US Airways | 61.6 | 67.4 | 5.8 | 2,699.0 | 3,309.4 | 610.4 |
| System Cargo Majors | 46.2 | 1/ | 1/ | 4,184.2 | 1/ | 1/ |
| DHL | 46.5 | 1/ | 1/ | 108.4 | 1/ | 1/ |
| Federal Express | 22.0 | 19.8 | -2.2 | 1,060.8 | 1,044.2 | (16.6) |
| UPS | 75.3 | 79.2 | 3.9 | 3,015.0 | 3,594.8 | 579.8 |
| System Total Majors | 47.8 | 1/ | 1/ | 33,340.9 | 1/ | 1/ |

1/ Data unavailable as DHL Airways has not yet filed its second quarter 2001 financial data with the Department.

FOOTNOTES

- * Not calculated on a quarterly basis.
- ** Cannot be calculated because balance sheet data not presented on an entity basis.
Data presented only on a system basis.
- ++ Not calculated for all-cargo carriers.
- # Meaningful calculation cannot be made because of negative data.
- & Over +/- 500 percent.

EXPLANATION OF LINE ITEMS

| LINE # | DESCRIPTION OF LINE ITEM | DERIVATION OF LINE ITEM |
|--------|--|--|
| 1 | Operating Revenues | Operating Revenues (Account 4999) |
| 2 | Operating Expenses | Operating Expenses (Account 7199) |
| 3 | Operating Profit or Loss | Operating Profit (Account 7999) |
| 4 | Net Income or Loss | Net Income (Account 9899) |
| 5 | Overall Revenue Ton-miles | Overall Revenue Ton-miles (Item Z-240) |
| 6 | Overall Available Ton-miles | Overall Available Ton-miles (Item Z-280) |
| 7 | Revenue Passenger-Miles (Scheduled Service) | Total scheduled revenue passenger-miles (Item K-140) |
| 8 | Available Seat-Miles (Scheduled Service) | Total scheduled available seat-miles (Item K-280) |
| 9 | Operating revenue per revenue ton-mile | <u>Operating revenues (Account 4999)</u> Overall revenue ton-miles (Item Z-240) |
| 10 | Operating expense per revenue ton-mile | <u>Operating expenses (Account 7199)</u> Overall revenue ton-miles (Item Z-240) |
| 11 | Operating profit per revenue ton-mile | <u>Operating profit (Account 7999)</u> Overall revenue ton-miles (Item Z-240) |
| 12 | Operating expense per available ton-mile | <u>Operating expenses (Account 7199)</u> Overall available ton-miles (Item Z-280) |
| 13 | Passenger revenue per revenue passenger-mile (scheduled service) | Passenger revenues (scheduled service) <u>(Account 3901)</u> Total revenue passenger-miles (scheduled service (Item K-140) |
| 14 | Operating revenues to total investment | <u>Operating revenue (Account 4999)</u> Total investment (See line 20) |
| 15 | Times interest earned | Income Before income taxes (Account 8999) + interest on long-term debt and capital leases (Account 8181) + Other interest <u>expense (Account 8182)</u> Interest on long-term debt and capital leases (Account 8181) + Other interest |
| 16 | Current assets to current liabilities | <u>Current assets (Account 1499)</u> Current liabilities (Account 2199) |
| 17 | Number of days coverage of cash operating expenses | Cash (Account 1010) + short-term <u>investments (Account 1100)</u> [Total operating expenses (Account 7199) less depreciation and amortization (Account 7000)]/365 |
| 18 | Operating Profit to operating revenues | <u>Operating profit (Account 7999)</u> Operating revenues (Account 4999) |
| 19 | Net income to stockholders' equity | <u>Net income (Account 9999)</u> Stockholders' equity (Account 2995) (5 Quarter average) |

EXPLANATION OF LINE ITEMS

| LINE # | DESCRIPTION OF LINE ITEM | DERIVATION OF LINE ITEM |
|--------|---|--|
| 20 | Overall corporate rate of return | <u>Net income plus interest expense</u> <u>Total investment</u> <p>Net income plus interest expense is: Net income (Account 9899) + interest on long-term debt and capital leases (Account 8181) + other interest expense (Account 8182) + amortization of debt discount, premium and expense (Account 8184).</p> <p>Total investment is: Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) + stockholders'</p> |
| 21 | Debt to total investment (end of period) | Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) - unamortized debt expense (Account 1840) |
| 22 | Actual passenger load factor (scheduled service) | <u>Revenue passenger-miles (scheduled service (Item K-140))</u> <u>Available seat-miles (scheduled service (Item K-280))</u> |
| 23 | Operating breakeven load factor (scheduled service) | <u>Capacity operating expense, scheduled service (passenger)</u> [Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service |
| 24 | Difference, actual-breakeven load factor | Actual (Line 22) - Breakeven (Line 23) |
| 25 | Employees | Number of full time employees (Average for 12-month ended period) |
| 26 | Overall revenue ton-miles per employee | <u>Overall revenue ton-miles (Item Z-240)</u> <u>Average # of employees (See Line 25)</u> |